
Child Sex Trafficking in the United States:

Will Banning Internet Advertisements Protect Minors?

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Abstract

Has the 21st century ease and availability of ‘online prostitution’ (i.e. buyers and sellers use Internet based matching platforms to connect, rather than street corners) in the US led to rampant growth of the commercial sex industry, including an increase of minor sex trafficking? Data from the three decades spanning 1988 to 2018 will be used to estimate the evolving incidence of underage prostitution in America. Of particular interest is an estimate of the subset of these juveniles that are being exploited by an adult (i.e. the stereotype of what is meant by “minor sex trafficking”), although by law, any incidence of underage prostitution is considered trafficking, whether a third party is involved or not.

The commercial sex industry moved largely indoors (and Internet facilitated) starting in 2002, when Craigslist.org launched its “Erotic Services” classifieds section. Although Erotic Services was closed in 2009, traffic quickly moved to Backpage.com as the number one destination online for buyers and sellers of commercial sex to connect. The claim from activists and politicians that ‘online prostitution’ directly increases minor sex trafficking will be tested by comparing estimates of the incidence of underage prostitution before and after the technological revolution occurred. Of particular interest is predicting whether FOSTA-SESTA (a ban on advertising prostitution online, passed in April 2018) can be an effective tool to either Fight Online Sex Trafficking, or to Stop Enabling Sex Trafficking, as its name claims.

Keywords: Backpage, FOSTA-SESTA, child prostitution, minor sex trafficking, section 230, online prostitution

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Perhaps most inspiring of all are my memories, from thirty years ago, of my own mother pursuing a graduate degree after a twenty year pause in university studies. I never doubted she could do anything she put her mind to, and I hope some of her talent might have rubbed off on myself. If ever I feel exhausted from juggling roles I simply remember that my mother was a single mother in poverty when she completed a Masters Degree, so surely I have no reason to complain.

Dedicated to Anna Hedman (1990-2018), my sister from another mother, who lost her battle with depression last summer. Her bright light is still shining in our memories, and she is terribly missed.

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I. Introduction

Activists, politicians and academics claim that there is a growing child sex trafficking epidemic in the United States which must be addressed. Often, the Internet has been implicated as a tool that makes it all too easy for traffickers to sell sex with minors. The Internet certainly revolutionized the marketplace for the 21st century; the convenience of posting and answering classifieds for commercial sexual services on third party platforms such as Craigslist and Backpage created an entirely new user experience with far lower search costs. Importantly, the ability for both sides to screen one other, prior to meeting, for safety purposes, lowered the risks substantially for all participants. In theory, this expands the industry to include those unwilling to participate in an outdoor, street-corner-based marketplace. In 2018, FOSTA-SESTA¹ abolished all online prostitution advertisements, with the aim of making trafficking more difficult—in particular, the exploitation of minors. Is this rationale (and policy based on it) correct; did the dramatic online/indoor shift in the commercial sex industry impact the number of juveniles involved with prostitution in the US? Might fewer juveniles be exploited by removing this tool from the hands of pimps and traffickers? Does banning online classifieds protect the underage and vulnerable, or simply enrich the traffickers by giving them a monopoly on providing security services for sex workers? What type of prostitution policy best protects juveniles from exploitation?

A few works of literature are most relevant. First, for estimates of the incidence of underage prostitution, missing children, and victimization of homeless youth, there is reliable data collected from a variety of scientific research groups. The best of these are funded by the Department of Justice, such as the Crimes Against Children Research Center at the University of New Hampshire,

¹ The Fight Online Sex Trafficking Act – Stop Enabling Sex Traffickers Act, passed in April 2018, effectively bans online advertisements for any type of commercial sex. For decades, Section 230 of the Communications Decency Act protected third-party platforms from liability for legally problematic content their users may post on their sites, thus allowing them to police their own platforms for harmful content in order to improve their product, without fear that if they do so but fail to catch an instance, they will be held liable. FOSTA-SESTA removes this protection specifically if content involves any type of commercial sex. Thus, platforms which are often used for hosting this type of content are unable to continue to shoulder such liability risk and remain profitable, and cease to exist.

the Center for Court Innovation, the Urban Institute, and the Office of Juvenile Justice and Delinquency. Excellent sources of other specific, relevant collected data and estimates are available from several other studies (Shrager et al 2017, Kotrla 2010, Kyckelhahn, Beck, & Cohen, 2009, Levitt & Venkatash 2007, Tyler Beal 2010, Potterat 1990, Fondation Scelles 2012). When these (more than one dozen) studies are compiled to estimate the scale of this hidden population of exploited juveniles, a more solidly convincing picture comes into view.²

What exactly is domestic minor sex trafficking? Juveniles, by definition, are physically, emotionally and cognitively immature, and thus poorly equipped for handling adult situations and relationships. They are vulnerable for exploitation because they may not understand that they are being manipulated and exploited. This makes it difficult to draw a clear line between juveniles coerced into performing commercial sexual services from those who believe they are willing participants. It is likewise potentially difficult to disentangle juveniles who have any connections with an auxiliary element (for example a bodyguard, whom the juvenile hires for protection while seeing a client) from those who have a clearly defined role of “pimp” who manages their professional activities—or even their entire lives. Rather than focus on delineating through these gray areas, the law does not distinguish between coerced verses voluntary underage prostitutes, nor between those minors who are being exploited by a pimp verses those who work entirely alone.

Therefore, to define the term “domestic minor sex trafficking victim”, the legal definition includes any incident of commercial sex involving a minor, whether a third party is involved or not. Consensual sex work involving a minor simply does not exist, according to the law—all such acts are sex trafficking incidents, even if the customer had no knowledge the sex worker was under 18 years of age, and there were no other participants involved. Minors are simply under the legal age

² Further, research on online prostitution shows that this problem affects the overall violence level for all women, as well as sexually transmitted disease level for everyone in the US (Cunningham & Shah 2016, Cunningham et al 2017).

of consent in this context, and there is no plausible deniability for purchasers of commercial sex from a minor. Clients are expected to engage in due diligence to ensure they do not purchase sex from a minor, lest they commit a felony and earn a permanent record as a sex trafficker.

What is the prevalence of minors being trafficked for sex in America, as of 2018? Has the Internet aided a domestic child sex trafficking epidemic? In the United States today, the Center for Court Innovations' estimate of the size of the population of minors engaged in commercial sex is 8,914; however, since numbers of transient, homeless youth (as well as those engaged in any underground, illicit economy) are very difficult to estimate, they prefer the range 4,457 to 20,994 as giving a clearer depiction of this uncertainty (Swaner et al 2016). Has this number been smaller in the past? If the incidence is on the rise, are online classifieds even partly to blame? Has it become a \$9.8 billion industry, as claimed by Republican congressmen Bob Goodlatte and Ann Wagner in 2015? (Kessler 2015)

There is a heated debate happening in many parts of the world regarding prostitution legislation and how to combat trafficking— especially of minors, as they are particularly vulnerable. There is immense variation in policies around the world, and it is difficult to find consensus in political, popular, or academic opinion on which policy produces the best outcomes in society. Hard data and records about prostitution & trafficking do not exist, and are difficult to estimate, due to the hidden nature of the phenomenon.

The public and policymakers alike wish for less social harm, especially for juveniles. The role that poverty, inequality and educational opportunities play has not always entered the discussion, despite the relevance to this issue of (usually homeless, high-school dropout) minors without few resources seeking to meet their basic needs. The Internet incontrovertibly changed the scene of the sex trade in America, for every segment involved, with ripple effects throughout all of society. What has not been demonstrated are whether the mixed effects are a net negative (in which case, a ban could be reasonable) or a net positive (i.e. much less violence, easier to catch the

traffickers) —in which case, perhaps focusing law enforcement resources on scraping the sites with machine learning algorithms to locate underage prostitutes and prosecute adults involved.

The debate in Congress leading to the passage of FOSTA-SESTA was not scientifically evidence driven about actual social harms to be weighed and compared on both sides. The culpability of for-profit Internet platforms was the main focus of the discussion, whether the sites themselves could be blamed for the actions of its users, and whether they should continue to enjoy section 230 immunity if they are profiting from the exploitation of minors on any scale. It has been argued that platforms were not using reasonable “best practices” to screen for red-flag signs of minor exploitation, and thus need for legislative reform to create stricter standards for specific safeguards in order to qualify for section 230 immunity. Those arguing for the passage of FOSTA-SESTA preferred an approach of blanket culpability for any platforms hosting advertisements for prostitution. The rationale is to remove any ambiguity and take a tougher line on a situation where minors are being harmed, in order to prevent minor exploitation. Everyone wishes to prevent harm from coming to minors, but the assumption (i.e. if online advertising platforms cease to exist, fewer minors will be harmed) is a large one. Many arguing against FOSTA-SESTA claim that the route leading to the fewest exploited American minors would include stronger safeguards, cooperation with law enforcement and further developing machine learning to use the openness of the platforms against traffickers (i.e. the risk of punishment high enough to become an effective deterrent).

Prohibition legislation can fail for many reasons if the underlying demand is not addressed in any other way. Unintended consequences can be worse than the original problem that the legislation was designed to solve. Prohibition of alcohol, for example, was quickly abandoned because of its unintended consequences —as well as because of economic need, fueled by the Great Depression. The desperately needed income stream that taxing a legal market of alcohol would provide, as well as the popular consensus that the cure was worse than the disease, led to the repeal of the Eighteenth Amendment. The War on Drugs is a more typical example, where even abject

failure spanning decades does little to sway a reform in approach (with the exception of some states recently deciding to legalize marijuana).

When seeking to solve a hidden activity such as domestic minor sex trafficking, there is no available hard data to study, and it is difficult to parse the motivations of the adult actors involved. Therefore, politicians may be more comfortable with making assumptions and using less reliable estimates than usual. It is an advantage that the prohibitionist viewpoint (regarding all types of prostitution) enjoys bipartisan support and can be successfully made into law, rather than a divided debate that remains indefinitely gridlocked (thus, the problem remains unaddressed). By definition, if a policy works to achieve the aims of the majority of society, then the approach is a success. However, if the law is passed on the basis of assumptions, the law may fail to produce the promised results, and this may be the case with FOSTA-SESTA. The mechanism by which the Internet platforms are connected to exploitation of minors was not identified or explained, and without a theory on this connection, it's not clear how this legislation will impact minors, if at all.

There have been a few economists trying to use the tools of social science to shed light on the truth of the underground markets in question, and how policy impacts peoples' lives. However, economic behavioral theory has not been used to predict what the effects of FOSTA-SESTA might be. The importance is clear, as thousands of lives are impacted, and policy can either decrease the suffering, or exacerbate the harm. The basis for this policy should ideally be founded in as scientifically sound research as possible.

Research Questions:

- 1. Has the incidence of minor sex trafficking been increasing & reached epidemic levels?**
- 2. Do Internet prostitution classifieds lead to more juvenile prostitutes?**
- 3. Will FOSTA-SESTA stop minor sex trafficking, (either involving a pimp or not)?**
- 4. What policy might best minimize the incidence of underage prostitution, especially cases of third party exploitation?**

Research Aims:

This paper presents a wide compilation of data spanning 1988-2018 to estimate the prevalence of minors in the commercial sex trade in America during these three decades, especially the portion of those being exploited by a third party. After assessing any significant changes in the data over the three decades, it will be explored whether the dramatic 21st century shift in the commercial sex industry is associated with a change in the number of juveniles involved with prostitution in the US. A multivariate regression will show the association of the shift from street corner to Internet and the number of juvenile prostitution arrests (the dependent variable). The independent variables will be the percentage of the market using online prostitution platforms, missing children and adult teen arrest rates. If the analysis shows a relationship between juvenile prostitution arrests and the industry's shift, there is reason to suspect that the Internet revolution of the world's oldest profession could be impacting underage prostitution, especially when controlling for missing children levels and prostitution arrest rates for older teenagers. If the trends seem unaffected by the change from street-era (1988-2003) to online/indoor-era (2003-2018), then there may be no significant relationship between this overall market revolution and its underage participants, and other explanations need to be explored as to any movement in the per capita rate of exploited youth.

There is little scientific basis for believing that FOSTA-SESTA will indeed save children from being exploited. There has not been a mechanism proving a causal connection between the Internet and minor sex trafficking; appropriately addressing the problem may be more complex and systemic. In terms of major policy implications, it's crucial to explore whether banning online classifieds could protect the underage and vulnerable, or simply enrich the traffickers by giving them a monopoly on providing security services for sex workers.

II. Background

For centuries in America, the marketplace for commercial sex was located either in brothels or outdoors. The majority of buyers and sellers met primarily on urban street corners, in less policed neighborhoods—due to the illicit nature of the transactions. The costs for finding one another, or ‘transaction costs’, were quite high due to the cumbersome nature of searching on foot for whomever happened to be present. The highly visible nature of the buyers and sellers of sex matching with one another in public view, as well as auxiliary violent and drug-trade related activities associated with prostitution, created a general nuisance issue for society. Prostitution has been associated with a host of negative externalities for surrounding residents, and prohibition style legislation has been the American approach for a century (and prior to the twentieth century, laws against vagrancy or “consensual debauchery” amounted to the same end result: prostitutes being arrested). However, this approach has done little to curb the existence of the oldest profession in the United States. Technology, however, has done much to clear up the public nuisance issues.

Smartphones led to many changes in the commercial sex marketplace. Sex workers could vet potential clients, online, before agreeing to meet with them. They also could easily share information with one another, leading to keeping “white lists” of agreeable customers and “black list” of violent men that should be avoided. They could also, from anywhere they have mobile connectivity, ask for referrals and check up on potential clients—in real time. This lowered the safety risks inherent with being in a private, vulnerable setting with a stranger. Craigslist and similar platforms, combined with Internet-enabled mobile phones, created the first truly thick online marketplace for the buyers and sellers of commercial sex to find one another—and with nearly zero transaction costs.

However, the explosion of well-known websites such as Craigslist and Backpage created a “virtual” nuisance problem for those who find sex work of any kind abhorrent, and especially for those with concerns that many of the women may be victims of trafficking, under 18 years of age,

or both. Technology solved the majority of the outdoor/public space nuisance issues of previous centuries, and even may have created a host of positive externalities for societies. (Cunningham 2017) However, for those who believe that all prostitution is sexual exploitation, and for those who are understandably horrified by any anecdotes of underage sex trafficking, it can seem that any tolerance of the sex work industry also tacitly accepts exploitation. This group of “neo-abolitionist” activists feel that the only correct course of action is to take criminal action against any actors involved with, and profiting from, the perceived exploitation inherent in any type of commercial sex act.

This group of activists is an unlikely combination of the religious right and radical feminist organizations, although it is important to note that most feminist organizations remain silent on this issue (outside of endorsing decriminalization of prostitution). In more specific terms, the conservative religious groups include Focus on the Family, National Association of Evangelicals, Catholic Bishops Conference, Traditional Values Coalition, Concerned Women for America, Salvation Army, International Justice Mission, Shared Hope International, and Religious Freedom Coalition. The premier abolitionist feminist organization in the United States is the Coalition Against Trafficking in Women (CATW), and are also joined by Equality Now, the Protection Project, and Standing Against Global Exploitation (SAGE) (Weitzer 2012). This coalition is particularly powerful due to being bipartisan, and thus having a built-in high degree of support amongst a majority of constituents, which incentivizes endorsement amongst politicians.

This coalition attempted to conflate sex trafficking with prostitution at the end of the Clinton Administration, but had no success. Although anti-trafficking legislation was passed (The Victims of Trafficking and Violence Protection Act in late 2000), there remained a sharp distinction between consensual sex work and sex trafficking. However, when George W. Bush took office in 2001, there was a far more favorable reception to the stated aim by leading scholar/spokespeople such as Donna Hughes and Melissa Farley to treat the sex industry as a whole as a form of modern-

day slavery and oppression. By the end of the Bush Administration, a high degree of similarity in ideology and policy preference could be found from both the abolitionist crusade and the US Government. By 2009, Craigslist's 'Erotic Services' classifieds page was shut down. The marketplace moved to Backpage.com at that point, and for nearly a decade there was little change outside of continuous litigation against the founders of Backpage by these activist groups, as well as their continued lobbying efforts.

The issue of juvenile prostitution, whether exploited by a third party or not, is inextricably intertwined with the poverty (and the associated neglect, abuse, and domestic issues) that plagues so many American youth. Fifteen million minors (which is twenty-one percent of all American children) live below the federal poverty line, which research says is set unrealistically low; a more realistic poverty line would mean that the true level would be twice that. (Jiang et al 2015) Living with the uncertainty of basic needs being met is an extreme burden for families raising children. Whyhunger.org (2018) estimates that there are nearly thirteen million children living in food insecure households. When just getting food on the table is a question mark, the likelihood for a cascade of unhappy outcomes for the family, resulting in child maltreatment and neglect are heightened. (Cancian et al 2010) According to childhelp.org (2018) there are annually 6.6 million American children involved in referrals to child protective services; around 1,580 children die annually as a result of abuse. Further, of those who die, 80% are toddler age or younger, and 80% died at the hands of a parent.

The issue that has been recently addressed in government has not been focused on the hunger, neglect, or abuse of millions of American children, and how child protective services can better address these crucial issues— nor on the underlying problems of growing inequality, poverty and a lack of affordable housing in the US. The legislative conversation that happened for over two years in Congress, regarding a purported 'hundreds of thousands' of underage Americans engaged in survival prostitution, focused on whether the online platforms that have hosted classified

advertising for any type of commercial sex should be held liable for their complicity in associated crimes committed, (especially involving minors). Instigated largely by activists lobbying for a response to an “epidemic of minor sex trafficking in the United States”, the decision boiled down to whether it should be legal to profit from hosting content that has been found to (at least anecdotally) result in the facilitation of children being exploited.

From 2016 to 2018, a Congressional committee investigated whether Backpage.com is culpable for instances of minors being trafficked, as a result of hosting advertisements for (and profiting from) their exploitation; both sides of the debate were heard (Goldman 2017).

“Post-SESTA, some services will conclude that they cannot achieve this high level of accuracy, or that moderation procedures would make it impossible to serve their community. In those cases, the services will reduce or eliminate their current moderation efforts. As more services do less to moderate third party content, we will see more socially harmful content online that would have been moderated today. Indeed, some online services that are actively suppressing sex trafficking promotions will stop those efforts, leading to the unintended consequence that SESTA will foster the expansion of online sex trafficking promotion.” (Goldman 2017)

A few other lone voices have claimed that waging a war on sex trafficking would be about as sensical as the “war on drugs” has been and will only lead to a similar escalation of misery (Nolan 2015). Keys (2013) describes a strategy borrowed from environmental policy for offering tax credit incentives to platforms which have prostitution advertisements, if they were to help law enforcement fight crime. Some focus on the potential power of machine learning and how the internet allows us access to track and convict those who would do crime against minors and adults alike (Latonero 2011, Kennedy 2012).

This standpoint is largely drowned out by the points of views led by the religious right and abolitionist feminists. The primary focus in the literature is on the evils of the “online sex customer” and how his insatiable demand for children cannot be taken lightly (Roe-Sepowitz 2013), as well as condemning Backpage.com for enjoying Section 230³ immunity. Some campaign for

³ Section 230 of the Communications Decency Act of 1996 (the common name for Title V of the 1996 Telecommunications Act) is a landmark piece of Internet legislation in the United States which grants immunity from liability for providers who for hosting content created by its users; specifically: “No provider or user of an interactive

RICO-style⁴ conspiracy possibilities to take down websites where sex might be advertised (DeLateur 2016). Ethical and philosophical debates regarding the legal status of commercial sex have indeed been prevalent since the founding of the United States (Hughes 2004).

The conclusion was to remove Section 230 protection for the specific case of commercial sex advertisements, which resulted in the immediate expulsion of Backpage.com and the arrest of the CEOs and founders. FOSTA-SESTA deems all platforms that host content related to commercial sex are liable for the illicit nature content itself. Craigslist's personals section was then shut down for fear that commercial sex advertisements may pose as regular dating profiles. Other traditional dating websites may follow, if the risk of accidentally hosting commercial sex activity & being held liable is too high for businesses to bear.

This approach could be reasonable, if the platforms themselves are in fact causing harm to victims involved in sex trafficking. Especially concerning are underage victims, and thus any validity to the claim (that children will be protected by the websites being taken offline) would certainly be compelling. Unfortunately, bookkeeping that details each illegal transaction are not fastidiously kept and then reported to the IRS for reliable and accessible statistics on prostitution; this is especially true of trafficking rings. Vague statistics about DMST (domestic minor sex trafficking) were quoted, for years, on very shaky estimations:

“In terms of prevalence, most experts suggest there are currently at least 100,000 DMST victims in the United States, with up to 325,000 more at risk for becoming such victims....The average age at which children are being lured into commercial sexual exploitation is between 11 and 14, although some are as young as five.” (Kotrla 2010)

There actually isn't any evidence of a robust appetite on the demand side for underage prostitutes (especially not below high-school age); therefore, there is not a high-volume industry of sex traffickers selling school aged children in a black market to meet this demand. That type of

computer service shall be treated as the publisher or speaker of any information provided by another information content provider.”

⁴ The Racketeer Influenced and Corrupt Organizations Act, commonly known as the RICO Act or simply RICO, is a US federal law that grants extended criminal penalties and a civil cause of action for crimes involved with an ongoing criminal organization.

situation would mirror the market for hard drugs, and likely prove similarly intractable when seeking a solution. However, if most underage sex workers are high-school aged teenagers entering into the market willingly and rationally, then the only way to divert them from making that decision would be the existence of alternatives to sustain themselves that are equally or more attractive. In other words, prostitutes, both underage and adult, are in the same boat as all working poor people in America—that is, in need of affordable housing and a steady job with a livable wage. To minimize the occurrence of underage prostitution, we would need to minimize poverty and inequality, as well as expand funding for child welfare (both before and after the point that the child runs away from home). These are expensive solutions involving redistribution, which is always a difficult topic for liberals and conservatives to come to an agreement on. The children in question are predominantly poor and black or brown (88% non-white), which is not a demographic as likely to vote, and thus of less political interest to elected legislators (Swaner et al 2016). Everyone may agree on the goal of eliminating underage prostitution in America, but alleviating poverty (we are not more than half a century after Lyndon B. Johnson declared a War on Poverty and ‘poverty’ is winning) is a difficult task to use as a strategy in achieving this goal.

FOSTA-SESTA focuses on the internet platforms that allowed an illicit commercial sex marketplace to flourish. The assumption was that this market expansion included a rise in the trafficking and exploitation of youth. However, by removing the online marketplace, will the net effect be fewer exploited children? Positive economic and behavioral science (judgment and decision-making research) research could possibly offer an alternative route, based on facts, knowledge and reason. The ‘world’s oldest profession’ and how it impacts society as a whole, needs to be considered—along with each incentive that motivates the actors involved.

The claim that “[a]lmost every time a girl is rescued from traffickers, it turns out that she was peddled on Backpage” can mean one of two things: most girls who were trafficked were “peddled on Backpage,” or most girls who were recovered from trafficking were “peddled on Backpage.” Which one of these is true determines whether Backpage ultimately increases or decreases the incidence of trafficking—and whether, by extension, attacking Backpage is actually a good strategy for fighting trafficking. (Levy 2017)

III. Literature Review

The most pertinent issue to keep in mind when trying to understand the complexities of any segment of the commercial sex market is that the workers in this business are more likely than any other group ever studied to be murdered on the job (Potterat et al 2004). Further, in addition to the risk of death, risk of less complete harm is certainly rife within the occupation. Sex workers are at risk of harm from customers, pimps, traffickers, and even the police. In one study, a quarter of raped outdoor prostitutes identified a police officer as the culprit (Raphael & Shapiro 2002). Levitt and Venkatesh (2007) find that a surprisingly high number of police officers demand sex from sex workers in exchange for turning a blind eye to their illicit profession—as much as 3% of the sex work they perform is in this category. In fact, police abuse can be more of a threat of violence for a sex worker than from a pimp—one study found that 30% of the abuse suffered by prostitutes in Illinois was at the hands of police, as opposed to just 4% from their pimps. (Torres & Paz 2012).

When considering the thought of minors involved in such a dangerous industry, it is universally agreed that removing them from such a risky occupation is a priority. Much more difficult is a consensus about how that is to be accomplished, and what policy is best. One step forward is the way underage prostitutes are perceived, as “finally we are thinking of them as victims and not delinquents...the problem of youth involved in prostitution is increasingly being defined as ‘commercial sexual exploitation.’” (Mitchell et al 2010)

Unfortunately, there are homeless youth in the US who have very few options for survival. Simply being on the street leads to sexual or physical violence in and of itself (Tyler & Beal 2010) for one-third to one-half of homeless youth. “Survival sex was my alternative to sexual assault on the street & in foster care. If you're concerned about ending sexual violence against youth, work to solve the problem; don't criminalize the solution.” (Raven, 2018) Unfortunately, there is no consensus in the social science community about how to protect children; there are no “studies identifying causal effects of prostitution laws on trafficking flows.” (Jacobsson & Kotsadam 2013)

A. Supply & Demand — Moral Hazard & Market Inefficiencies

In the American commercial sex industry, there are no contracts between buyers and sellers, and this leads to a trust problem. Without formal negotiations, and because of the nature of the service provided (noncontractible), there is ample opportunity for shirking— thus, serious market failures may occur (Hart 1975). In the case of the illicit buying and selling of sex, there can be moral hazards such as taking health risks, as well as the risk of physical harm between buyers and sellers. Prohibition disrupts the ability of buyers and sellers to seek recourse in Court for any gross misbehavior. A reputation (or “market mechanism”) can step in to fulfill the missing role of formal contracts in ensuring honest behavior. (Klein & Keffle 1981). In this way, buyers and sellers wish to protect their reputation, and thus behave honestly.

The Oxford Handbook of the Economics of Prostitution (2016) was instrumental in providing a thorough review of positive economic studies regarding prostitution, especially in America. Cunningham (2010, 2011, 2014, 2016, and 2017) has provided some of the most comprehensive statistical analyses of how the Internet, moving off the streets, and especially sites like Craigslist has changed society. In particular, he provides empirical evidence for some theories from Edlund and Korn regarding men in transit (2011), as well as how indoor prostitution can drastically impact violence levels throughout a metropolitan area by reducing market inefficiencies and moral hazard that come from the trade of noncontractible services without trust (2016, 2017).

Informal incentives such as these can effectively enforce agreements (MacLeod 2006), especially when new customers can view and compare seller’s reputations when selecting a provider. The Internet has developed during the 21st century to provide legal commerce based on such mechanisms of trust (Cabral & Hortacsu 2010), and in the case of sex work in the US, it is especially transformative because it overcomes much of the market failures that prohibition creates. Examining reviews on The Erotic Review, Shah and Cunningham (2016) find that by using data on more than 90,000 sex workers profiled throughout the US since 1999, the site growth and client

reported satisfaction indicates that the market inefficiencies are being solved through these reputational mechanisms. By increasing the growth and functionality of the sex industry, there is less violence, better outcomes, and more people feeling willing to engage in the industry; therefore, the total impact on society is unclear (Shah & Cunningham 2016). However, not everyone in the market has the savvy and reliable internet access to participate in the online reputation system. These are likely the younger, more vulnerable and more desperate for guidance. They may be intimidated by the thought of marketing and screening for themselves, and therefore choose street-based work and/or working with a pimp.

Levitt and Venkatesh (2007) provided an excellent deep ethnographic/quantitative study of prostitution in Chicago which gave invaluable insight into the connection between arrest records and street work prevalence. Tyler & Beal's (2010) study provides insight into the incidence amongst homeless youth and a two decades long study in Colorado (Potterat 1990) interviewing a thousand women provided the first national estimate for the population of prostitutes in the US during the nineteen eighties.

B. Theoretical Models

Sieberg — economic/game theoretic models of illicit behavior

Violence in the industry is inextricably linked to the lack of recourse to the court system due to the illegal nature of the industry (Sieberg 2006). Sex trafficking is a phenomenon of the underground market in commercial sex due to the incentives involved with criminalization policy. By creating a need for contract enforcement, laws incentivize pimps and traffickers to arrive to fill that need, and simply by making an act illegal, without addressing unmet supply, a black market will always arrive to meet that demand (Sieberg 2006). As mentioned before, anti-pimping laws ironically incentivize women (by criminalizing their involvement with others for safety purposes) to seek protection from pimps and traffickers; once in their control, it can be difficult or impossible to

leave (Sieberg 2006). Again, this policy leads to the unintended consequence of more non-consensual sex workers which also, sadly, increases supply, and drives the price down.

Criminalization and harassment by the police will simply push the industry underground and lead a sex worker to be willing to work in less safe conditions (Sieberg 2006). The result, then, of FOSTA-SESTA, may be the increase of workers facing the streets or working under a pimp, without the benefits (decrease in violence and health risks) associated with the Internet (insofar as an online public review system performs as a reputation mechanism).

Lee & Persson's Safe Harbor Model

As mentioned before, the illicit nature of sex work exposes the workers to violence from police officers as well as customers. Criminalizing the industry serves to drive out more desirable clients, thus driving up the violence level; criminalization of any one particular group merely shifts power and influence over prostitutes from one place to another, but the violence will come from somewhere (Lee & Persson 2016). When looking for solutions to the pervasive problem of violence against sex workers, the answer should be designed to empower the sex workers themselves; an ideal “policy also must empower voluntary prostitutes, for example, through licensing procedures that minimize the risk of corruption, ombudsmen in the safe harbor, and severe penalties for any acts of violence against prostitutes. Such a policy...would effectively combat two forms of violence: involuntary prostitution and transactional coercion.” (Lee & Persson 2016) The reason is simple: criminalization pushes voluntary prostitutes out of the market, and increases incentives for pimps/traffickers to supply non-consensual prostitutes. A combination approach, (and, thus far, never tried) of legalization/regulation of prostitution *and* criminalizing the purchasing sex from unlicensed prostitutes, has merit in theory; “criminalization increases trafficking at the expense of voluntary prostitution, and therefore reduces trafficking only once all voluntary prostitution has left the market. (Lee & Persson 2015)

Estimating the Size and Structure of the Underground Commercial Sex Economy in Eight Major US Cities from The Urban Institute was supported by the US Department of Justice. The findings in this report were key in indicating that there is no large expansion of the underground commercial sex economy between 2003 and 2007, and actually was decreasing in most of the cities studied. In five of the seven cities, the size of the underground commercial sex economy decreased from 2003 to 2007. Pimps described neighborhood influence, family exposure to sex work, lack of job options, and encouragement from a significant other or acquaintance as critical factors in their decision to engage in the underground commercial sex economy.

C. Policy Arguments

-Prohibition-

“The scale effect of legalized prostitution leads to an expansion of the prostitution market, increasing human trafficking, while the substitution effect reduces demand for trafficked women as legal prostitutes are favored over trafficked ones... the scale effect dominates the substitution effect. On average, countries where prostitution is legal experience larger reported human trafficking inflows.” (Cho et al 2013)

The prohibitionist argument hinges on the primary belief that all types of sex work are inherently the same form of human rights violation, and there is zero difference between indoor vs street prostitution, child vs adult prostitution, or prostitution vs trafficking. (Farley et al 2014) The second tenet is that there is no convincing evidence that legalization of prostitution actually improves the lives of prostitutes, (Raymond 2004) and that decriminalization and legalization of the sex industry increases trafficking by growing all demand for paid sex of women and girls. Perhaps the third tenet would be that child sex trafficking is incredibly pervasive, affects huge numbers of children, and is “one of the fastest growing and most lucrative criminal activities in the world” (Rafferty 2013). Therefore, the problem is of urgent, epidemic importance. Further, it’s argued that legalization “provides a legitimate front for organized crime, while at the same time reducing police oversight of the industry.” (Farhall et al 2017)

“The presence of an adult sex industry increases both the rates of child sexual exploitation and trafficking... legalization has spurred traffickers to recruit children and marginalized women to meet demand. Amsterdam, long touted as the model, recently started recognizing rates of trafficking into the country have increased and is beginning to address the enormous hub of trafficking and exploitation that it’s created.” (Lloyd 2012)

“Although there was a belief that legalization would make possible control of the sex industry, the illegal industry is now ‘out of control’. ..Trafficking in women and children from other countries has increased significantly. The legalization of prostitution in some parts of Australia has thus resulted in a net growth of the industry. One of the results has been the trafficking in women and children to ‘supply’ legal and illegal brothels” (Poulin 2005)

More extreme concerns are that perhaps the Internet is causing sexual deviants to act out hidden aggressions and desires, and that individuals wouldn’t have become violent without the the Internet. (Beckam & Prohaska 2012) A less radical concern is that the victims uncovered online may be younger than previous trafficked minors, on average; it’s plausible that exploiters find it easier to advertise for younger prostitutes online with vague wording. (Wells et al 2012)

-Decriminalization/Legalization-

The evidence is that it is safer for women, is successful in combating trafficking, and potentially has less exploitative work environments than outdoor or illegal work. The brothels have more institutional mechanisms to protect women and to control drugs and crime. The fact of their legality means that they must be more transparent and also that they can work with law enforcement rather than against it. (Brents & Hausbeck 2005)

In ancient Greece and Rome, sex workers were required to pay taxes—Roman sex workers were even required to have a license and be registered; studies show that enforcement targeted at sex buyers delivers worse health outcomes than the one targeted at sex workers (Immordino & Russo 2015). “The interaction between taxation and entry restrictions works theoretically in that the higher the fixed cost for the sex workers, the higher the quantity-reducing effect of taxes.... Thus, taxes work best if coupled with entry barriers for sex workers.” (Immordino & Russo 2015).

Economic studies demonstrate (Becker et al 2006) that making a good legal and taxable reduces output and increases prices *more* than criminalizing (even with ideal enforcement), even taking into account tax evasion and underground markets. However, the one guarantee in this field is that the introduction of a licensing system, whether for buyers, sellers, or both, is incredibly complicated to analyze. The primary tenet of the legalization and/or decriminalization camp is that

when prostitution is not illegal, it results in safer environments for sex workers, as well as more resources for victims of sex trafficking.

There are case studies from around the world to examine. “New Zealand is the first and only country to have fully decriminalized the sex industry, in 2003 (New South Wales, Australia did so in 1995). Resulting data show lower rates of sex trafficking and less sexual and physical violence amongst sex workers compared to countries with End Demand policies.” (Jackson & Heineman 2018) Weitzer argues against the claim that legalization would increase underage participation in prostitution with studies that demonstrate that in countries where prostitution has been made legal, this has not happened. For example, in the Netherlands, government reports conclude that “there seems to be hardly any prostitution by minors in the licensed sector” and “inspectors encounter underage prostitutes only very incidentally...only 5% (out of a sample of 354 prostitutes) had begun sex work as a minor.” (Weitzer 2010).

The second tenet is that by making an industry illegal, it does not eradicate the occurrence, it rather makes trafficking more likely because of the resulting black market which is inherently more violent. This violence “drives some producers out of the market, leading to higher prices and large criminal enterprises with monopoly power. Instead of breaking apart sex-trafficking rings, prohibition increases their profitability, making trafficking more appealing to criminal enterprises... After legalizing prostitution in 2003, New Zealand found 'no incidence of human trafficking.' Moreover, legalization made it easier for sex workers to report abuse and for police to prosecute sex crimes.” (Hall-Blanco 2017) A third tenet is a "vast improvement in the relationship between police and sex workers, to the point that sex workers become key information sources in attempts to uncover human trafficking. Currently, sex workers are afraid to do so, because they risk arrest." (Ntokozo Yingwana 2012) Clients are likewise hesitant to report suspected trafficking to the police, especially if the purchase of sex is illegal. Before lifting the ban on brothels, human trafficking and other abuses were taking place that are now under control. (Korvinus 2015, Post et al 2018)

Issues such as poverty, child abuse and addiction are feeder systems for underage prostitution, but criminalization and penalties do not fix those problems (Brock & Thistlethwaite 1996). "Criminalizing the sex industry creates ideal conditions for rampant exploitation and abuse of sex workers...[I]t is believed that trafficking in women, coercion and exploitation can only be stopped if the existence of prostitution is recognized and the legal and social rights of prostitutes are guaranteed." (Wijers 2014)

The Anti-Slavery Initiative takes a pro legalization standpoint for adults, and decriminalization standpoint for minors. "Despite the existing prohibitions, children continue to be involved in commercial sex all over the world. Their presence is in part a reflection of the unregulated status of the industry..." because "...minors below a certain age are barred from most kinds of formal employment...." there are fewer options available for homeless youth to sustain themselves, of course. (Bindman 1977) Once they've engaged in illicit trade & begin to feel disenfranchised from society, they may be less comfortable seeking health services interacting with social services. They may seek to avoid judgement, i.e. scenarios with an authority figure asking questions regarding how they have been surviving. "As with adults, the effect of prohibition can simply marginalize children who do sell sex." (Bindman 1997)

The illegal nature of the industry creates dependencies within the subculture. The illegality creates a host of problems and many auxiliary and facilitating roles within the subculture; "criminalized prostitution regimes compound the vulnerabilities that become re-packaged as evidence of 'trafficking', making workers less able to seek vital services and more dependent on managers and intermediaries in order to secure protection from police, locate clients, ensure payment and arrange for safe and discrete workspaces" (Berg 2015). Surely this is even more the case for minors.

"The intersection of the highly emotive issues of sex work and human trafficking generates a lot more heat than light. Some antitrafficking activists equate 'prostitution' with trafficking and vice versa, despite evidence to the contrary. The U.S. government leaves no doubt as to where it stands: According to the State Department Web site, 'Where prostitution is legalized or tolerated, there is a greater demand for human

trafficking victims and nearly always an increase in the number of women and children trafficked into commercial sex slavery.' By this logic, the state of Nevada should be awash in foreign sex slaves, leading one to wonder what steps the Justice Department is taking to free them. Oddly, the Netherlands, Australia, and Germany—all of whom have legalized prostitution--received top marks from the Bush administration in the most recent Trafficking in Persons Report...Sweden, for example, is much praised by anti-prostitution activists for a 1998 law that aimed to protect sex workers by criminalizing their customers. But several independent studies, including one conducted by the Swedish police, showed that it exposed prostitutes to more dangerous clients and less safe-sex practices." (Feingold 2005)

D. Data on Prostitution & Vulnerable Minors in the US

Data regarding minors being trafficked for sex is inherently difficult to gather. In recent years, however, there have been several studies that employs scientific inquiries to discover reliable estimates. One example is The Texas Crimes Against Children Center, which has collected data on child trafficking recoveries since 2010. As an anecdotal data point, this program rescued more than 200 children in the seven-year period between 2010 and 2016. (Bourke et al 2016)

Center for Court Innovation – Youth Involvement in the Sex Trade

In the United States today, the estimate of the size of the population of minors engaged in commercial sex is 8,914; however, since numbers of transient, homeless youth (as well as those engaged in the underground, illicit economy) are incredibly difficult to estimate, the Center for Court Innovation, in their publication Youth Involvement in the Sex Trade, prefers the range from 4,457 and 20,994 as giving a clearer depiction of this uncertainty (Swaner et al 2016). The majority (85%) of underage prostitutes do not have any type of pimp, and of those who *do* work with one in some way, the vast majority are not being forced or coerced; in addition, the average age that the 949 interviewed youth in enters “the life” was 15.8 (Swaner et al 2016), which is discernibly older than is being purported as being commonplace.

Tyler & Beal - Homeless Youth

By studying homeless and previously homeless youth, they estimate the likelihood of abuse and exploitation to occur while in the vulnerable position of being an un-cared-for teen on the streets, and which populations were most likely to experience what types of abuse (Tyler & Beal

2010). They find that of the approximately two hundred youth they spoke with, 16% had ever engaged in an episode of selling sex for money.

Internet Effects on the Market

After an initial drop, following the passage of FOSTA-SESTA, advertising for the sex trade appears to have rebounded. Many are being advertised on new websites that mimic Backpage with names like “Bedpage.” (Kessler 2018) The Economist (2014) studied data from 190,000 female sex workers in 12 developed countries and found that the price of an hour of sex has been declining. The price has fallen from US\$340 in 2006, down to around US\$260 in 2014.

E. Preventing Underage Prostitution

“...[Prostitutes] would not have chosen to become hustlers if some better alternative had been open to them. They are very much aware of the fact that to be a prostitute is to be socially devalued; to be at the bottom of society. ...[this] is not an oppression on the basis of sex, as male franchise would be. The "oppressor" is rather those social conditions- present in practically all known social systems-which offer some individuals (both men and women) no better alternative than hustling.”
— (Ericsson 1980)

It seems that teenagers are vulnerable to the same pitfalls of a dearth of economic opportunity that the men and women that Ericsson referenced approximately four decades ago. Homeless minors are most at risk for succumbing to desperate measures to survive. Those most likely to find themselves financially desperate are on their own, without a home and seeking to find a way to financially support themselves. During childhood, between 5% and 10% of girls and up to 5% of boys are exposed to penetrative sexual abuse, and up to three times this number are exposed to any type of sexual abuse. (Gilbert et al 2009)

Research demonstrates a quantifiable link between child maltreatment and being arrested for prostitution before the age of 29 (Gilbert et al 2009). Domestic abuse is a common reason for children to run away in the first place, and therefore become at-risk for engaging in survival or commercial sex. This is the unsurprising connection between child abuse and underage prostitution. Also, studying the link between poverty and child abuse is crucial. A study from The

Institute for Research on Poverty (Cancian et al 2010) found that amongst families who have had a first incidence of child maltreatment reported, even a modest increase in the household income has a demonstrable effect on reducing the likelihood that there will ever be a second incident reported from the same household. This constitutes the causal chain by which poverty increases the likelihood of a juvenile becoming involved with underage prostitution.

This has long been understood to be a particularly slippery slope for children in disadvantaged situations. Known risk factors are a history of domestic turmoil and neglect, physical or sexual abuse at home, and poverty; any of these factors, but especially more than one, will heighten the chance that the child's downhill spiral will lead towards prostitution. (Boxill & Richardson 2007) Emotional immaturity can exacerbate preexisting predispositions to find themselves engaging in prostitution, as "[y]oung people can become involved in prostitution through emotional neediness and vulnerability as well as homelessness and poverty." (Hotaling Levitas-Martin 2002)

In short, children do not become part of the sex trade in a vacuum. "To label prostitution and sexual exploitation as private choices distinct from the social, economic, and political structures that constrain those choices influences how we address the problem and its possible solutions." (Balos 2004) If social conditions create no better alternative we cannot be surprised at the results. Underage prostitutes living in poverty find themselves selling sex for many of the same reasons that adults do. They choose the best option from the menu they perceive available to them, in order to survive. If we wish to think of preventing the problem of underage commercial sex, we need to think of preventing the circumstances for the minors who face such poor options.

"Challenging life circumstances and lack of economic choice and educational attainment could push women at any age to sex trading. Prostitution prevention and broader policy decisions, in order to be effective in reducing the public health burdens of prostitution and sex trading, should be directed to women based on the experiences they face prior to trading sex." (Martin et al 2010)

Especially for preventing underage prostitution, social reform is the path forward, and “Crumbling social safety nets (including foster care systems), labor policies that degrade wages and conditions in jobs across all industries, and repressive immigration law are policy areas that should be of interest to those concerned with exploitation in sex industries”. (Berg 2015)

Without addressing the surrounding economic conditions of income inequality and poverty in a community, prevention of underage prostitution alone would require a massive increase of resources for child protective services and family welfare programs. “Microlevel preventive interventions require that all forms of protection (e.g., protection from being trafficked as well as from all forms of discrimination, neglect, abuse, violence, and exploitation) to which children are entitled be made available by government agencies, including social services, the police, and child protection teams. Ideally, efforts will include a change in customs or practices that fail to adequately protect children, more open discussion of the issues, and strengthening the capacity of children and adolescents for their own protection. This can be accomplished through greater awareness and participation, strengthening the capacity of those closest to the child, improved services, and adequate monitoring and reporting mechanisms.” (Rafferty 2013)

However, a winnable War on Poverty, an effective welfare reform program, solving all the economic problems in the US, or having unlimited funds for CPS (Child Protective Services) are not on the menu of available choices, at least in the short term. What we have now are criminal laws, a modest law enforcement presence, and a political machine with a will for passing “tough on crime” legislation. Unfortunately, an entirely prohibitionist standpoint leaves a difficult situation for underage prostitutes and those involved with survival sex, because it fails to provide other options for surviving.

Regarding legislation, it is not necessarily the best approach to simply remove 230 immunity for Internet platform providers, as FOSTA-SESTA does. This leads to the prospect of hosting any public classifieds ads ‘risky business’ for platforms, and therefore forces many out of

business. Another approach would be crafting guidelines that allow for more effective law enforcement and thus increase the number of trafficking victims recovered. Daphne Keller, Law professor at Stanford (and former in-house counsel at Google) urges lawmakers to keep in mind the very “basics of intermediary liability – things I teach on day one to my classes at Stanford and Berkeley..... SESTA makes bad policy choices. It would give OSPs (online service providers) reason to remove lawful speech in some cases and turn a blind eye to illegal and dangerous activity in others.” (Keller 2017) She goes on to describe ways to make a better law, including removing section 230 immunity for those who are engaged with content creation (which Backpage would have been guilty of), and crafting a more standardized and transparent protocol for “notice and takedown” procedures that works with law enforcement agencies when content is found, and clearly discloses as such on their sites. (Keller 2017)

IV. Theoretical Framework

The Internet became the middleman for the majority of the overall commercial sex industry in the United States. This technology solved most of the 20th century matching problem (connecting buyers & sellers, while increasing transparency & accountability). While exact data is not centrally compiled due to the hidden nature, it is possible to research the impact that the Internet has had on the commercial sex market. Theoretically, there are three main ways that the Internet impacts the commercial sex trade, which will be discussed in further detail now:

1. The efficiency, ease and convenience of online ads moved 90% of the industry indoors, which reduced both buyer & seller transaction costs associated with the streets (namely, the risk of harm or arrest), thus expanding the market to include those unwilling to participate in an outdoor setting and without the need for a middleman such as an agency or pimp.

“compared to streetwalkers, indoor workers have lower rates of childhood abuse, enter prostitution at an older age, and have more education. They are less drug-dependent and more likely to use softer drugs (marijuana instead of crack or heroin). Sexually transmitted diseases are fairly rare among call girls, escorts, and women who work in brothels where condom use is mandatory. Indoor workers tend to earn more money, are at lower risk of arrest, and are safer at work...Studies conducted in a variety of countries have found that indoor sex workers are less likely to experience violence from customers than those who work on the streets.” (Weitzer 2007)

Outdoor prostitution carries risk of being involved in another crime or being discovered and arrested for involvement in an illegal trade, as well as being more labor intensive in terms of time and energy to locate each transaction. This reduces transaction costs on both sides, and thus would raise the price buyers are willing to pay to compensate for this convenience. This expands the market to buyers who would not participate in an outdoor market. This raise in price would lead to an increase in suppliers, and the price will drop again back down to the equilibrium. If sellers previously unwilling to work outside join the market, this competition would drive the price down until enough sellers drop out, to return the price back up to the equilibrium.

2. Buyers and sellers are able to screen one another. Both sides of the market can share information online (such as blacklists of clients to avoid), leave public reviews, and request

references before arranging to meet. This creates accountability which reduces the risk of harm on both sides, which further reduces the need for a pimp (maintaining a reputation is enough motivation to behave honestly in most cases). Without contract enforcement through the courts, there needs to be incentive to behave well, and accountability through an online reputation and ratings system provides one. The increased confidence in safety that comes with screening beforehand (reducing anonymity) reduces the risk of harm; this increases expected utility for both buyers and sellers and, again, expanding the market.

3. The market expanded to include ‘niche’ buyers and sellers who wish to be involved in a marketplace for less common, less transactional interactions (this refers to all types of relationships characterized by recurring encounters and at least some iota of emotional investment, that can fall anywhere on the spectrum between the marriage market and prostitution). The internet created a more heterogenous, more easily differentiated commercial (and semi-commercial) marketplace, satisfying demand that would have otherwise been unmet in the commercial sex industry. This expands the marketplace to include those who are willing to participate in partly commodified relationships, but not purely transactional encounters.

Does market expansion lead to rampant normalization?

Normative/moralistic judgements (about the inherent appropriateness of what consensual adults do in private) are a weak argument, given that societal morals and judgments change over time. There was a time in United States history when society thought that being a stage actor was shocking and morally dubious. This is an especially weak argument in the US context, considering the American preference for a default to personal liberties, when others are not being harmed. Unless there is some quantifiable harm in society (adultery that leads to the dissolution of intact families), then it is strictly a normative question, which positive economics does not have an opinion about.

As for a spiraling cycle of an ever-expanding market for commercial sex, this is unlikely to be a boundless phenomenon because of economic principle. The opposing force constraining the demand side for commercial sex is a) a limit to the amount of utility that can be purchased and b) the disposable resources of time and cash available to spend. The opposing force constraining the supply side is a) the opportunity costs forgone in the traditional dating and marriage market as well as b) the opportunity costs from forgoing pursuing a career in the legitimate work sector. Because of social stigma, the costs are not insignificant, and this is a strong prohibiting factor rendering the idea unattractive for the vast majority of women in OECD countries.

A final point about normalization: the private nature of the indoor prostitution marketplace, by definition, attracts little notice by those not already involved with the market. Therefore, it's difficult to imagine how the volume of private transactions in society will affect peoples' perceptions of prostitution. The world's oldest profession boasts the world's oldest stigma, as well, and there has been very few societies in human history throughout the millennia in which prostitutes have had no social costs that come along with their profession. These factors, on both the supply and the demand side, restrict the market from expanding enough to occupy much notice in society for the otherwise uninvolved.

Finally, there is reason to believe that unmet demand for sex has negative impacts in society, based on Cunningham's work noting that Craigslist Erotic services section has reduced rape and homicide rates by astonishing amounts (31% and 17.4%, respectively). The rationale is as follows: repressed, testosterone-fueled energy in a society can carry negative outcomes if there are few consensual outlets. Therefore, by meeting this demand, not only does consumer surplus increase, but, more importantly, this reduces the potential harms.

How is minor sex trafficking impacted by the new, Internet-based marketplace?

Turning the focus back squarely on underage prostitution, it is true that minor sex traffickers surely also use the Internet, and likewise can benefit from the expanded customer base & ease of

advertising (from the comfort of wherever they have an Internet-accessible device). They are simply interacting in the marketplace with more suppliers than an independent sex worker, and therefore with potentially more buyers and potential buyers in this marketplace. They can also work within larger criminal organizations, which law enforcement invests even greater manpower in policing, relative to prostitutes themselves and johns. Given their increased scale of advertising, multiple suppliers, and dealings with an order of magnitude more buyers, they are at increased risk of discovery for their crimes by operating 'in the open', which the Internet surely qualifies as. The law enforcement that hunts them knows where they are conducting their business, has smart technology also able to mine advertisements for signals of minor sex trafficking, and can investigate suspicious ads.

However, with so many advertisements to mine for suspicious signs, it is difficult for law enforcement to scrutinize and attempt to sting/bust any given one. Therefore, given how lucrative the market is, the risk/reward ratio remains a strong incentive to do business. However, because of the online availability of so many 18-20 year old consensual sex workers, it is plausible that the competition from the adult portion of the industry pushes the incidence of minor sex trafficking to only the truly determined niche buyers seeking juveniles who are willing to bear the risk of heightened punishments if caught. There is no reason to believe that the truly pedophilic subset of the demand side in this market is a significant size, given the small percentage of adults in general with such tendencies (mental illness).

Overview: The Internet Expanded the Market; Replaced Many Pimps

The Internet/Indoor revolution has made it far easier for buyers and sellers of sex to (more confidently after mutual screening) match up, and thus expanded the market. This led to an increase in the number of sex workers involved with the profession, and an increase in the price they could charge. However, the Internet replaced many pimps. Those left will be perhaps those

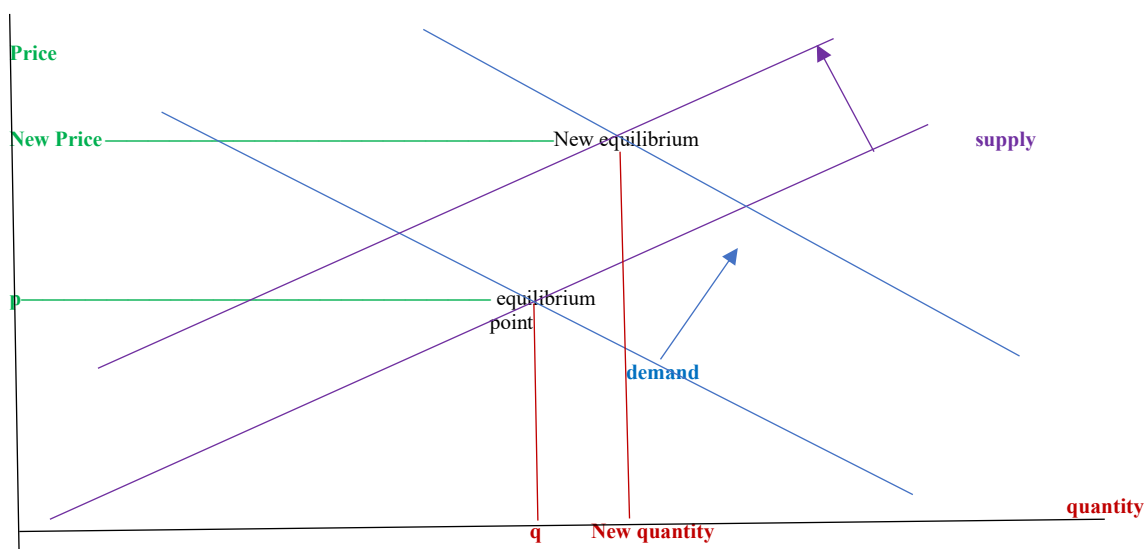
specializing in prostitutes who are not savvy enough to be online (managing their own business, including marketing and screening protocols).

$$EU(\text{sex worker}) = pq - [\text{marketing} + \text{likelihood} \cdot \text{harm/arrest}]$$

$$EU(\text{pimp}) = \text{commission} \cdot \text{quantity} - [\text{recruitment effort} + \text{management effort} + \text{likelihood} \cdot \text{arrest}]$$

$$EU(\text{john}) = \text{benefit} - \text{price}$$

The Internet increases expected utility by providing a more suitable match so the john's EU (Expected Utility) increases and thus demand increases, driving price up. The Internet increases expected utility to sex workers by reducing costs/risks without taking a cut, thus supply increases to meet new demand, and a new price equilibrium is reached.



However, The Internet reduces quantity of sex workers seeking a pimp, and thus raises recruitment costs and lowering quantity for pimps, thus driving many from the industry. Those left specialize in exploiting the few truly vulnerable in their local area. These changes in incentives made the use of pimps largely unnecessary and reduced their role in internet-assisted commercial sex activity. Many pimps of voluntary, adult sex workers plausibly lost their job to automation. The role then left available is exploiting the most vulnerable sex workers without the skills or internet access to operate independently; possibly, pimps either specialized in this category or left the market.

Most underage sex workers are no longer living with their biological family (or any other stable living situation) and may be unaffected by technological advances. Only a subset of these vulnerable youth will have the skills and resources to manage their own affairs, professional or otherwise, so any increase in underage prostitution could be modest. It stands as a fair assumption that the absence of online classifieds for sex was not the only obstacle standing between high school aged Americans and prostitution, and teenagers will not flood the market because of how easy it is to put up a shingle on the Internet and start selling sex.

By removing these technological advances (by banning online classifieds), the pimps are once again needed by all sex workers for contract enforcement. Voluntary, adult sex workers will return to their control, and pimps/traffickers will be able to expand their operations and become more sophisticated and powerful. They'll have more resources to recruit more local homeless youth.

Figure 1 Results of FOSTA-SESTA to surveyed sex workers

SUMMARY OF IMPACT

DECREASES IN:

- Income for sex workers
- Available clients
- Screening practices
- Worker bargaining power



INCREASE IN:

- Risk taking by sex workers
- Contact from "pimps"
- Predators preying on desperation
- Demands for cheaper services

SEX WORKER TESTIMONIALS: INCREASE IN PREDATORS



"Men calling themselves gorilla pimps have been trying to access all the girls since this has passed."

"I have been met with **more folks trying to coerce me into work I don't want to do.**"

"I had a pimp contact me. That's unusual for me."

"I felt forced to offer discounts to a client in order for him to refer friends."

"Tried to negotiate my rates - **sniffing for desperation.**"

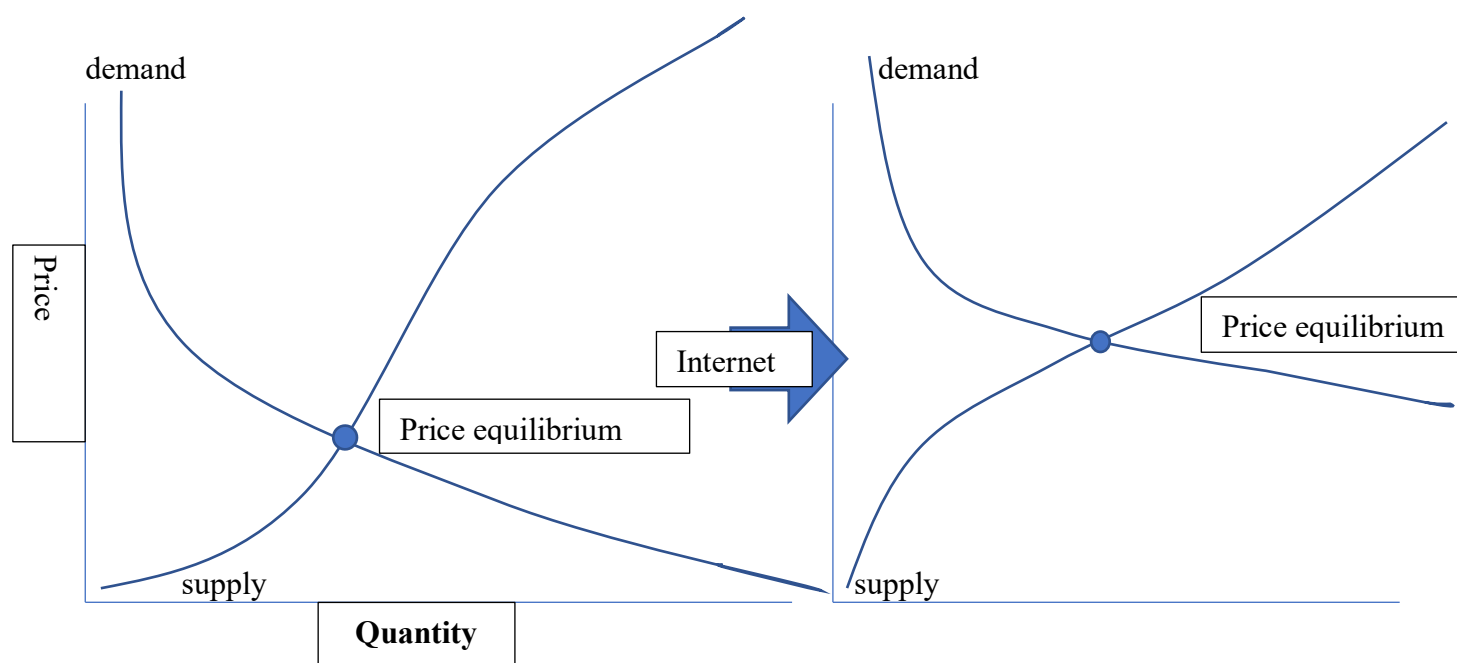
"Threatened by pimp to work for him."



- Note. Reprinted from Coyote Rhode Island Impact Survey Results (2018) analyzed by SWOP Seattle. Published PowerPoint. Retrieved from https://docs.google.com/presentation/d/1KBsVBQh7EsRexAyZacaf_fUvvsVb2MR1Q30_gV7Jegc/mobilepresent?slide=id.p

V. Economic Model

The Internet has impacted the commercial sex industry. It has expanded the marketplace by reducing matching inefficiencies (as well as making pimps redundant for tech-savvy adults).

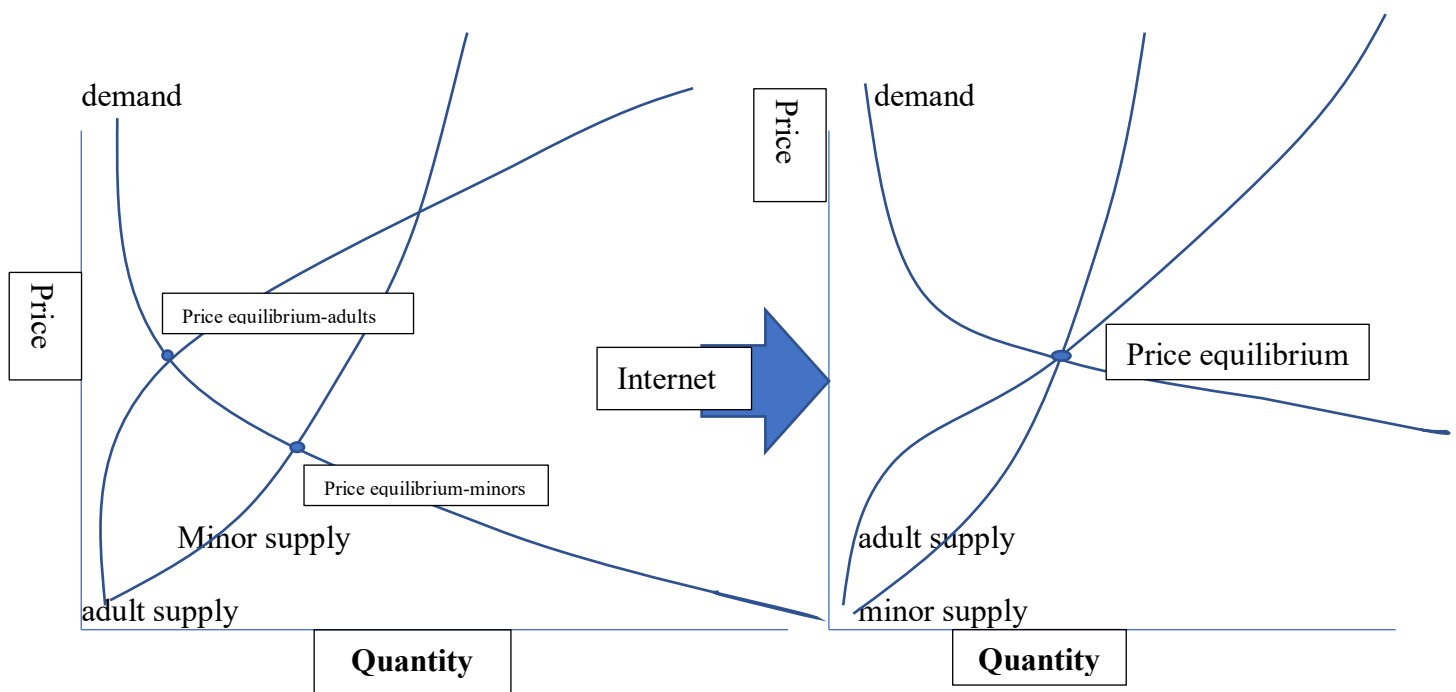


To disentangle the underage from the adult sex workers encompassed in the supply curve above, we see a stark positive shift in demand because of the ease and convenience of finding a provider online. There's a shift in adult supply because of less risk to the sex worker needing to be priced in when reputation mechanisms work to increase safety, and more likelihood of higher quality, more well-suited matches being made which result in longer term commodified relationships and lower prices per transaction (i.e. quantity discount or wholesale purchase).

Before the Internet, sex workers needed to factor in their pimp or escort service's portion of the sale and thus there were very few providers available at a lower price. The difference in price equilibriums between minors and customers, and between adults and customers was a large one. With far more minors willing to perform sexual acts at a lower price, only the customers with a distinct ethical problem with engaging with under 18-year-olds would be willing to pay more for an

adult. The minors engaged in survival sex do not shift in their market behavior because their situation is simply inelastic, and they have few other options and are in acute situations of need and desperation. The quantity ends in the middle of the graph trailing into exorbitant price territory to depict that there are few in number, relative to the endless theoretical pool of adults (at least at very high prices).

After the Internet, the price equilibrium for both adults and minors are the same, which means minors will have no more discount advantage to compete with adults, and because of incentives for customers regarding the deterrent of penalties involved with purchasing sex from an adult compared to a minor (as well as no evidence of a significant portion of the population harboring pedophilic desires), the majority will seek out 18 year old (or older) sex workers, and minors will have a more difficult time competing at the same price. They are also less likely to be tech-savvy, expertly marketing themselves to a wide audience online, and constantly Internet connected (due to the inconveniences of homelessness and surviving on few resources), and therefore also will be at risk of being driven from the market in the Internet Age.



The pimps who remain in the market will have an opening to prey upon desperate homeless juveniles, and a much harder time finding adults who need their services as middle man (when the Internet works so much better for their needs of safety and finding clients). Therefore, minors and pimps remaining will likely be forced together nearly exclusively. It is plausible that customers, over time, would learn to avoid middle-man brokered transactions for this reason and seek an independent adult sex worker whose reputation on review sites online leave little doubt as to her legal age of consent as well as her independent, non-exploited status.

Of course, pimps can attempt to mimic such a veneer with their underage prostitutes, but it's unlikely that due to emotional immaturity, these efforts are going to be terribly successful in convincing a reasonable number of clients to the point of leaving rave online reviews about a positive and enthusiastic experience. More than likely, few homeless teens are going to be excellent actors. If customers have an easy time shopping around for well-regarded adult sex workers in their area who are able to provide psychological (emotional) as well as sexual services for their clients, whom many clients have left public feedback that they felt convinced the worker is independently operating and free from exploitation, they will perhaps choose the less morally questionable alternative.

VI. Data Collection & Research Methods

The Office of Juvenile Justice and Delinquency Prevention Statistical Briefing Book found from ojjdp.gov provides Law Enforcement & Juvenile Crime Data for any given year, broken down by age groups. This offers the number of prostitution arrests per year, both for juveniles as well as different age groups, as well as total arrests. For an overview of the prevalence of homeless child runaways from 1988-2018, several reports were invaluable. Data was collected from several national studies funded by The Office for Juvenile Justice and Delinquency Prevention (OJJDP), a program of the US Department of Justice.

The 1984 Missing Children's Assistance Act requires the OJJDP to conduct periodic studies determining "the actual number of children reported missing each year, the number of children who are victims of abduction by strangers, the number of children who are the victims of parental kidnappings, and the number of children who are recovered each year." To accomplish this, the OJJDP has commissioned three NISMART (National Incidence Studies of Missing, Abducted, Runaway, and Thrownaway Children) reports. NISMART-1 (Finkelhor et al, 1990) estimates the number of children who were involved with episodes associated with being missing in 1988. In 1999, NISMART-2 (Finkelhor et al., 2002; Hammer et al., 2004) updated the statistics for the number of missing children. The 2013 NISMART-3 survey is the latest installment in the series (Sedlak et al 2017). The Federal Bureau of Investigation's National Crime Information Center missing person records has data that corroborates the NISMART findings. For years not covered in the NISMART studies, from the FBI's website, the Criminal Justice Information Services is the first selection under the main menu of 'Services', which then contains the National Crime Information Center's archived annual reports of missing persons (2007-2018).

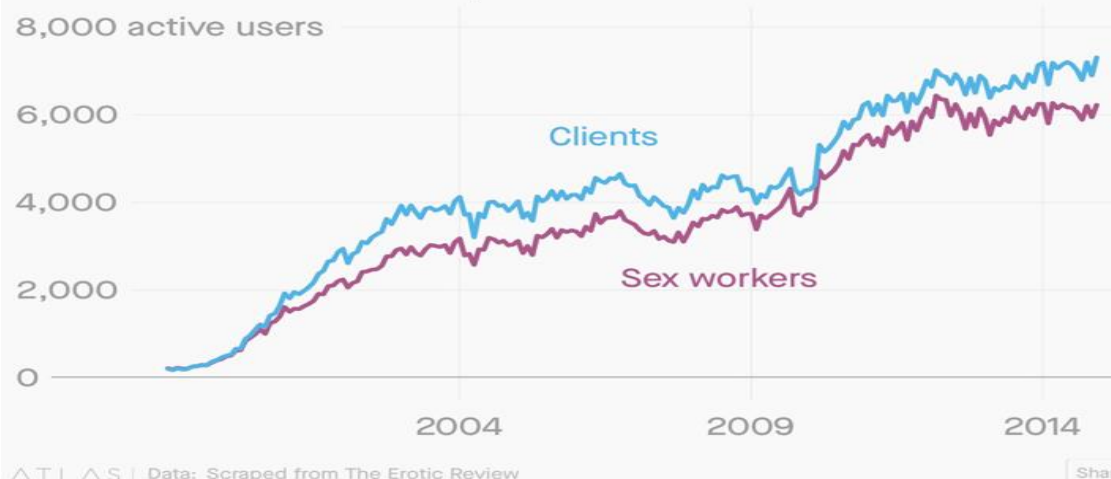
Finally, for the use of the Internet in participating in the commercial sex marketplace, the growth in the number of active users on The Erotic Review will proxy for the transition of the market from nearly entirely street based to nearly entirely Internet-facilitated (Schrager et al 2017).

In 2017, Schrager, Groskopf and Cunningham scraped data from this popular online review site to estimate the size of the increase in monthly active users and published the results on the website Quartz, which creates journalism addressing issues of the global economy. In this way, a possible proxy for the overall growth in the market since there is no other obvious way to measure types of transactions in an underground economy.

Figure 5 - Internet Reviews Solve Market Problems & Leads to Expansion

The transparency and reliability of the sex business has improved as review sites have grown in popularity. Increased activity on sites like The Erotic Review is also a proxy for the overall growth in the market—more sex workers engaging in more encounters with clients—since there is no reliable census or sampling of sex workers due to its illegal status.

The Erotic Review's users, by month



- Note. Reprinted from Schrager, A., Groskopf, Cunningham, S. (2017, November). "How the Internet Changed the Market for Sex". Quartz. Retrieved from <https://qz.com/1065881/how-the-internet-changed-the-market-for-sex/>

If the late nineties begin from a starting point of 0% of the market switched to using the Internet rather than street corners and by 2015 the shift was complete, the graph below can demonstrate the movement between the two states.

Figure 6



The following table will transpose the data into percentage of the total domestic black market for commercial sex that uses the Internet to facilitate transactions. Blue represents the period before the Internet, Mauve represents the Craigslis Era, and Green represents the Backpage Era.

Table 1: Prostitution Arrests, Missing Minors, compared with the shift of the commercial sex market from street-corner based to Internet-based

| Year | Juvenile Arrests | Online Market | Arrests 18-20 | Missing Minors |
|------|------------------|---------------|---------------|-----------------|
| 1988 | 1,920 | n/a | 11,770 | 446,7000 |
| 1989 | 1,600 | n/a | 10,870 | |
| 1990 | 1,580 | n/a | 9,940 | |
| 1991 | 1,370 | n/a | 8,180 | |
| 1992 | 1,240 | n/a | 7,050 | |
| 1993 | 1,150 | n/a | 6,660 | |
| 1994 | 1,180 | n/a | 6,260 | |
| 1995 | 1,260 | n/a | 6,160 | |
| 1996 | 1,350 | n/a | 6,630 | |
| 1997 | 1,390 | n/a | 7,190 | |
| 1998 | 1,420 | n/a | 6,690 | |
| 1999 | 1,350 | 2% | 7,260 | 797,500 |
| 2000 | 1,410 | 6% | 7,080 | 800,000 (estim) |
| 2001 | 1,470 | 20% | 6,840 | 760,000 (estim) |
| 2002 | 1,440 | 26% | 6,780 | 740,000(estim) |
| 2003 | 1,400 | 35% | 6,770 | 720,000 (estim) |
| 2004 | 1,760 | 40% | 9,010 | 700,000 (estim) |
| 2005 | 1,600 | 39% | 8,870 | 680,000 (estim) |
| 2006 | 1,560 | 42% | 8,290 | 660,000 (estim) |
| 2007 | 1,490 | 43% | 8,270 | 643,744 |
| 2008 | 1,470 | 44% | 8,360 | 614,925 |
| 2009 | 1,350 | 47% | 7,860 | 558,493 |

| | | | | |
|------|--------------|---------------------|--------------|----------------|
| 2010 | 1,040 | 50% | 7,170 | 531,928 |
| 2011 | 970 | 69% | 6,530 | 500,892 |
| 2012 | 790 | 75% | 6,340 | 497,326 |
| 2013 | 760 | 73% | 5,520 | 462,567 |
| 2014 | 740 | 78% | 5,220 | 466,949 |
| 2015 | 590 | 77% | 4,500 | 438,229 |
| 2016 | 500 | 81% (estim.) | 3,840 | 443,053 |
| 2017 | 280 | 86% (estim.) | 3,620 | 441,165 |
| 2018 | | 90% (estim.) | | 401,218 |

By defining the number of juvenile arrests as the dependent variable, and the percentage of the market using the Internet as an independent variable, we could find a relationship between the rise of online prostitution and the number of underage prostitutes (or at least the number of arrests per year, which presumably has some connection to the total population). However, such a simple investigation would hardly capture the causal effect of the Internet alone, as many factors in the country impact the number of youth who find themselves engaging in survival sex (or becoming the victim of trafficking). By controlling for the fluctuations in the number of missing minors, as well as the number of arrests of youth ages 18-20, many of those other factors, known as ‘omitted variables’ should be removed from influencing the results in explaining the relationship between underage prostitutes and Internet sex marketplace platforms.

Of course, not only measuring juvenile arrests is of interest. Attempting to extrapolate from measures that we can observe for the hidden population that is not directly observable is a higher aim. Perhaps the most thorough study combining ethnographic qualitative research with enough scale to conduct reliable statistical analysis on a national level was the Youth Involvement in the

Sex Trade: A National Study was conducted by the Center for Court Innovation. This study was supported by the Office of Juvenile Justice and Delinquency Prevention of the U.S. Department of Justice. This study involved long form interviews of nearly one thousand underage sex workers and their data extrapolating to estimates for the country were drawn rigorously and conservatively, allowing for perhaps the first clear picture of what may truly be happening in the US regarding minor sex trafficking in the 21st century. This study provided the inspiration to attempt to compile other studies and data to estimate the population throughout these three decades of interest.

Estimating the Number of Minor Sex Trafficking Victims - A Trifecta of Methods

1. The Missing Children method (or **MC method**) shall be defined as taking the total number of runaways and missing youth (Finkelhor 1990) and calculating the percentage of this total likely to have engaged in commercial sex while gone from their home of origin. NISMART studies (1980) from the 80s cite a 5% rate of this vulnerable group of youth being involved with engaging with survival sex. Two decades later, a study of 199 interviewed homeless youth report that the percentage having ever sold sex as high as 16% (Tyler & Beal 2010). This sample is a subset of the total population of missing youth, however, as they were all homeless over a longer period of time than the vast majority of runaway and missing youth. NISMART data report that 99.6% of youth do, in fact, return home quite quickly (Finkelhor 1990, 2002). This method of estimating that 16% of missing youth engage in survival sex therefore needs to be applied to not the total population, but this smaller group, which is then .0064% of all youth reported missing in a given year.

$$MC(p) = s(.004p)$$

or

$$MC(p) = .0064(p)$$

**where p is the population of runaway/missing minors, s is the rate of performing survival sex and $MC(p)$ is a function to estimate the subset of missing minors who have been involved with selling sexual services.*

2. The **LV method** , named for Levitt and Venkatesh (2007) uses their estimates of how many ‘tricks’ result in a single arrest as well as the average annual number of ‘tricks’ performed per street worker, in order to extrapolate from police arrest records how many street workers there are. The aforementioned study found that each arrest occurs after an estimate of 453 commercial sexual acts, and the average annual number of acts performed per sex worker was 373. The number of arrests can be simply multiplied by 1.2 (which is equivalent to multiplying by 453 and then dividing by 373) to gauge an estimate number of sex workers that corresponds to the given arrest number. If p is the population estimate of interest and t is the total arrest number then we have the very simple:

$$LV_1(p) = 453t/373 = 1.2 t$$

This can be considered a proxy for the entire market in question before the Internet moved the majority of business online and indoors. Narrowing down further to only underage prostitutes is then done in two ways. First, by calculating that 1.4% of prostitution arrests involve a minor (Finkelhor & Ormond 2004), the total arrests can be reduced to this much smaller figure, and then the same multiplier is applied as before (which gives us a new multiplier of .017 for juvenile prostitutes).

$$LV_1(p) = .014 (1.2t) = .017t$$

Second, if the total juvenile prostitution arrests for the entire country is available, this number can be used with the multiplier to; ideally, the second estimate is similar to the first. If j is equal to the number of juvenile prostitution arrests:

$$LV_2(p) = 1.2j$$

Both figures can be further manipulated for accuracy by taking into account that not all juvenile prostitutes are street workers. In 2004, studies indicate that 86% juvenile prostitutes worked the streets (Mitchel et al 2010). Therefore:

$$LV_1(p) = .86(.017t) = .015t$$

$$LV_2(p) = .86(1.2j) = 1.04j$$

3. The third method is the **YIST method** named for the Youth Involvement in the Sex Trade study (Swaner 2016) which interviewing a thousand youth in six metro areas in the US and asked how often they are arrested per year; they came up with a likelihood of 12.67% being arrested for prostitution in a given year, and by comparing that with the number of juvenile prostitution arrests per year, the entire population can be estimated.

$$\mathbf{YIST(p)} = j/.1267$$

Finally, no matter which of the three methods used, it is of interest to then calculate the portion which are likely to be under third party exploitation. The 2005 National Juvenile Prostitution study gives a rate of 58% underage prostitutes working with a third party. This is far higher than 2016 data (Swaner et al 2016); however, to be conservative, this percentage will estimate the number of third party exploited minors being trafficked for sex.

$$\mathbf{MC(p)} = .0064p(.58) = .00037p$$

$$\mathbf{LV_1(p)} = .015t (.58) = .0087t$$

$$\mathbf{LV_2(p)} = 1.04j(.58) = .6032j$$

$$\mathbf{YIST(p)} = (.58) j/.1267 = 4.58j$$

VI. Analysis

The ease of Internet-assisted, indoor prostitution between consenting adults is a near proxy for a legal market which meets the vast majority of demand, due to removing the vast majority of market frictions such as matching inefficiencies, unenforceable contracts, and risk of arrest (or even if arrested, risk of any serious penalty). According to the Lee Persson model, this will impact the incidence of sex trafficking, driving most traffickers and minors from the market. Therefore, the transformation of the commercial sex market from street corner to indoors, thanks to Internet matching platforms, would decrease the incidence of (third-party coerced) minor sex trafficking. In addition, underage prostitutes are vulnerable, often homeless youth that are less likely to be tech-savvy or constantly connected to the Internet enough to compete with less risky (in eyes of customer) adult sex workers. Thus, the incidence of minors without a pimp will also decrease. In order to eliminate all the factors besides the Internet-assisted market revolution, controlling for reported missing/runaway minors, as well as arrests of adult teenagers (ages 18 to 20) aids in isolating the effect of Internet platforms.

This causal argument will be represented by the following:

$$j_i = a + bI_i + gA_i + sM_i + e$$

where j_i is the number of juvenile prostitution arrests in year i ,

a is the intercept, or the value of j if all other variables are equal to zero,

I_i is the use of commercial sex Internet platforms in year i

b is the coefficient describing the causal relationship between the dependent and independent variable I in year i

A_i is the population of adult teens (ages 18-20) involved with prostitution in year i

M_i is the population of missing minors, g and s are the coefficients measuring the impacts they have on the dependent variable,

and e is the error term.

| Juvenile Arrests | % market online | Arrests 18-20 | Missing Minors |
|------------------|-----------------|---------------|----------------|
| 1,350 | 2 | 7,260 | 797,500 |
| 1,410 | 6 | 7,080 | 800,000 |
| 1,470 | 20 | 6,840 | 760,000 |
| 1,440 | 26 | 6,780 | 740,000 |
| 1,400 | 35 | 6,770 | 720,000 |

| | | | |
|-------|----|-------|---------|
| 1,760 | 4 | 9,010 | 700,000 |
| 1,600 | 39 | 8,870 | 680,000 |
| 1,560 | 42 | 8,290 | 660,000 |
| 1,490 | 43 | 8,270 | 643,744 |
| 1,470 | 44 | 8,360 | 614,925 |
| 1,350 | 47 | 7,860 | 558,493 |
| 1,040 | 50 | 7,170 | 531,928 |
| 970 | 69 | 6,530 | 500,892 |
| 790 | 75 | 6,340 | 497,326 |
| 760 | 73 | 5,520 | 462,567 |
| 740 | 78 | 5,220 | 466,949 |
| 590 | 77 | 4,500 | 438,229 |
| 500 | 81 | 3,840 | 443,053 |
| 280 | 86 | 3,620 | 441,165 |
| | 90 | | 401,218 |

Examining the latter two decades from the three discussed to isolate the impact of the arrival of the Internet, this data from 1999-2017 can be analyzed in a multiple regression. Running this data in R as `lm(formula = JuvenileArrests ~ Internet + AdultTeenArrests + MissingMinors)` gives the summary of results as follows:

Residuals:

| | | | | |
|---------|--------|--------|-------|-------|
| Min | 1Q | Median | 3Q | Max |
| -173.05 | -49.42 | 25.62 | 61.17 | 95.15 |

Coefficients:

| | Estimate | Std. Error | t value | Pr(> t) |
|------------------|------------|------------|---------|--------------|
| (Intercept) | -1.522e+03 | 5.309e+02 | -2.867 | 0.01175 * |
| Internet | 3.948e+00 | 3.170e+00 | 1.245 | 0.23207 |
| AdultTeenArrests | 1.798e-01 | 1.660e-02 | 10.834 | 1.73e-08 *** |
| MissingMinors | 2.110e-03 | 6.300e-04 | 3.349 | 0.00439 ** |

Signif. codes: 0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1

Residual standard error: 84.65 on 15 degrees of freedom

Multiple R-squared: 0.9679, Adjusted R-squared: 0.9614

F-statistic: 150.6 on 3 and 15 DF, p-value: 2.031e-11

These results imply that 97% of the variation in juvenile arrests can be explained by the three explanatory variables. Isolating the effects of each variable (controlling for the other two)

shows a significant relationship between arrests of 18-20-year olds and juvenile arrests, a bit less significant relationship between missing minors and juvenile arrests, and no significance of the Internet on juvenile arrests. The 95% confidence interval test gives:

```
confint(modell, conf.level=0.95)
```

| | 2.5 % | 97.5 % |
|------------------|---------------|---------------|
| (Intercept) | -2.653707e+03 | -3.906398e+02 |
| Internet | -2.808441e+00 | 1.070406e+01 |
| AdultTeenArrests | 1.444251e-01 | 2.151726e-01 |
| MissingMinors | 7.669775e-04 | 3.452424e-03 |

In fact, removing the rise of the Internet in transforming the sex industry in America altogether reveals almost no decrease in the model's ability to explain the juvenile arrest level.

```
lm(formula = JuvenileArrests ~ AdultTeenArrests + MissingMinors)
```

Residuals:

| Min | 1Q | Median | 3Q | Max |
|---------|--------|--------|-------|-------|
| -164.60 | -58.63 | 14.29 | 63.00 | 89.77 |

Coefficients:

| | Estimate | Std. Error | t value | Pr(> t) |
|------------------|------------|------------|---------|--------------|
| (Intercept) | -8.728e+02 | 1.016e+02 | -8.591 | 2.17e-07 *** |
| AdultTeenArrests | 1.786e-01 | 1.685e-02 | 10.598 | 1.22e-08 *** |
| MissingMinors | 1.368e-03 | 2.088e-04 | 6.551 | 6.67e-06 *** |

Signif. codes: 0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1

Residual standard error: 86.09 on 16 degrees of freedom

Multiple R-squared: 0.9645, Adjusted R-squared: 0.9601

F-statistic: 217.6 on 2 and 16 DF, p-value: 2.503e-12

Whatever factors are causing adult teenage Americans to be arrested for prostitution, in combination with the number of overall runaway and missing youth, are the same factors driving the incidence of juvenile arrest levels, and presumably the incidence of underage prostitution altogether. This query, at least, (nor any other studies to this point) does not point towards the Internet causing minors to be involved with the commercial sex industry, either coerced by a third party or not. If the Internet is having little impact on the exploitation of minors, then the arguments

in Congress leading up to the passage of FOSTA-SESTA certainly were based on a false narrative (albeit heartbreaking anecdotal testimonies).

Returning to a loftier and more ambitious question of interest (albeit far more difficult to quantify) regarding how many total underage prostitutes there are in the US (rather than simply juvenile arrests), the trifecta of estimation techniques described in the previous section can be used to attempt to paint a picture about this hidden societal phenomenon.

Using all three methods to estimate the size of the underage prostitution population some insight may be gleaned. The limitation must be noted that it's possible that arrest rates were different in the different decades, due to different policing strategies, and that other factors not accounted for have impacted the data. However, with a hidden population and activity and no possibility to examine the phenomenon directly, methods of estimating must suffice to begin with a rough starting point for understanding the scale.

—Period 1—1988-1998 ~ Before the Internet Changed the US Commercial Sex Industry—

1. **The MC method.** 1988- 446,700 total missing/runaway youth, & the NISMART-1 estimate involved with selling sex was 5% of all runaway youth, or 22,335 (Finkelhor et al 1990).
2. **The LV method.** Since data (Snyder 2012) indicates prostitution rates fell 55% between 1990 and 2010, and there were 48,281 arrests in 2010, then this leads to a figure of 108,000 prostitution arrests in 1990. The LV method estimates that there were 48,924,000 incidences of commercial sex in 1990. Dividing by the average number of jobs a sex worker engages in per year (373) gives us an estimated population of 131,164 sex workers in the US in 1990. If we estimate 1.4% of the 1990 arrests were juvenile arrests, that would be 1,512 arrests and an estimated total population of underage prostitutes of 1,836. The number of juvenile prostitution arrests at the end of the nineties were 1,359 (Juvenile Arrests, 2000) which then indicates (by multiplying by 453 and dividing by 373) 1,650 underage prostitutes, which is close to the estimate reached by taking 1.4% of the adult arrests. This indicates a slight increase during his decade.

3. The **YIST** method —using a 12.67% likelihood of being arrested for prostitution in a given year and 1,512 juvenile prostitution arrests in 1990 renders an estimate of 11,945 underage prostitutes. At the end of this period we have slightly fewer arrests, so using the same calculation, there are an estimate of 10,736 total underage prostitutes.

One additional study conducted over two decades (the seventies and eighties) of 1,022 observed prostitutes in Colorado Springs analyzes their data to make an estimate for the entire population of sex workers as 84,000 in the country (Potterat 1990). 1.4% of this number is 1,176 juvenile prostitutes during the eighties.

During this period, the number of underage prostitutes has begun with a range of estimates between: {1,176, 1,836, 11,945, 22,335} or a rough average of 9,323 and the period ended with the range of {1,650, 1,700, 10,736} or a rough average of 6,929.

Period 2 : 1999-2008 – Transition – the Internet revolution in the Oldest Profession

1. The **MC Method** – The 1997-1999 the OJJDP report (2002) estimated less than 1% of the 357,360 runaway youth were involved with prostitution, or a rough guess of 1700. The Tyler Beal .0064% rate would imply 2,287 underage prostitutes at the end of the nineties. Instead of applying the 16% to the subset of long-term homeless youth (.004% of total missing youth), using the NISMART-2 (1999) estimate of 6300 and applying the 16% rate to that figure results in 1008 total youth. Both of these estimates can be added to the range.

2. **LV method:** The 80,854 prostitution arrests in 2001 multiplied by 453 estimated sex acts and divided by 373 annual sex acts performed by prostitutes gives an estimated total sex worker population of 98,195 in the US. 75,004 in 2008, so slightly less. This indicates 91,091 prostitutes. Of these totals, by calculating 1.4% of the adult population, gives an estimate of 1050 in 2001 and 1,275 in 2008 can be estimated to be minors. In both 2001 and 2008 the number of juvenile arrests for prostitution is 1470, and multiplying by 453 indicates 665,910 sex acts and if juveniles also perform an average of 373 per year, then there were 1,785 total minor street workers in the US in

both 2001 and 2008. Since the NJP Study in 2004 estimate that 86% of all (82% of third party exploited) juvenile prostitutes find clients on the streets, so to include the population that is not found on the streets and accounted for in this method, we need to enlarge the number to 2,075. By simply taking 1.4% of the adult prostitute population there is 1,275. Both are added to the range.

3. The **YIST Method**. Beginning with the 12.68% likelihood of arrest in a given year found in the Urban Institute study of underage prostitutes and looking at 1470 arrests, that would imply 11,540 in the total population.

1999-2008: {1,008, 1,760, 1,050, 1,275, 2,075, 11,540} This period has a rough average of 2,926.

Period 3 (2008-2018) —After the Internet Changed the Commercial Sex Industry—

1. The **MC Method** — During 2013, law enforcement agencies entered a total of 462,567 reports on children (persons younger than age 18) into the NCIC missing person records (Federal Bureau of Investigation, National Crime Information Center, 2014). Given that most of the NISMART-3 study showed improvements or no significant change in survey results for all types of missing and runaway episodes, it can be assumed that the previous rate of about 99.6% of all cases resolved with the minor back at home is still true in this period, and can estimate 18,503 cases that do not return home. The 16% Tyler Beal rate applied to this number leaves 2,960 underage prostitutes.

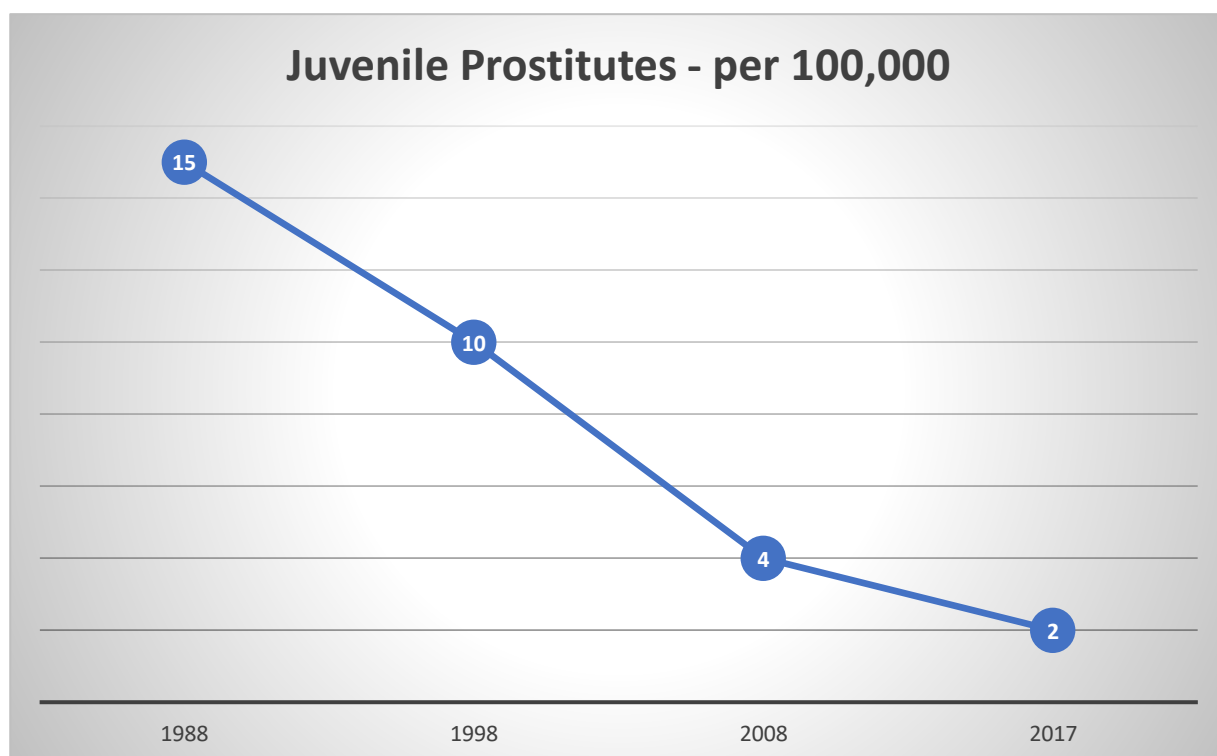
2. **LV method** —Multiplying number of prostitution arrests in 2010 (48,281) by 453 using the LV method estimates that there were 21,871,293 acts of commercial sex in 2010, and dividing by the average of 373 instances performed per year by the average sex worker, gives an estimate of 58,636 sex workers in America in 2010. The entire 2008-2018 period was pretty stable so this estimate can describe the entire period. 1.4% of this number is 820 estimated juveniles.

Juvenile prostitution arrests fell drastically (79%!) during this decade—from 1470 at the start and then to half that (760) in 2013, and only 280 in 2017. That leaves the estimated population of underage street workers in 2013 at 932, and by 2017 only 340. If we expand the count to include those who do not work the streets, then it's an estimated 1,073 in 2013, and 395 in 2017.

3. **YIST method** – The Youth Involvement in the Sex Trade’s studied rate of 12.67% chance of arrest in a given year combined with 2013’s 760 juvenile prostitution arrests and 2017’s 280 juvenile prostitute arrests renders another way to estimate the population. That gives an estimate of 5,966 underage prostitutes in 2013 and 2,198 total underage prostitutes in the US at the end of this period (2017-2018).

The range for the 2008-2018 period is therefore described by the range (parentheses indicate end of the period): {820, 1,073 (395), 2,960, 5,966 (2,198)} which averages to 2,705 towards the start of this period and 1,593 towards the end.

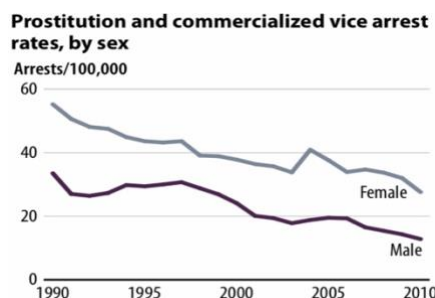
Plotting these averages graphically (adjusting the numbers to the format which compares with the total population of Americans under the age of 18 in a given year) looks like:



This is in line with data on all prostitution, judging by prostitution arrest rates, the numbers have been on a stark decline for thirty years (Snyder 2012). It seems that the number of underage prostitutes has been on the decline for three decades, and the introduction of the Internet and the

major market shift from street based to online has not made a great impact on the underage subset of the supply side of this market.

Figure 3. Federal Number of Prostitution Arrests 1990-2010



From 1990 to 2010, the arrest rate for prostitution and commercialized vice was cut in half (down 55%), with substantial declines in both the male (down 62%) and female (down 50%) arrest rates. (Snyder 2012)

This is also in line with the FBI's Crime in the United States data (2001-2016), as well as total juvenile prostitution arrests as found from the OJJDP's statistics on Juvenile Arrests (2001-2016).

Internet-assisted, indoor prostitution can be thought of as a proxy for a legal market which meets the vast majority of demand. According to the Lee Persson model, this will impact the incidence of sex trafficking, driving traffickers from the market, including those who peddle minors. Therefore, the transformation of the commercial sex market from street corner to indoors, thanks to Internet matching tools, will indeed decrease the incidence of (third-party coerced) minor sex trafficking. In addition, juvenile prostitutes without a pimp will be pushed out of the market if demand is being met by the defacto legal, adult market they find online because the penalties are far more serious for purchasing sex from a minor than from an adult so customers will not be eager to take the risk if they aren't confident that the sex worker is over the age of consent (18). In addition, underage prostitutes are vulnerable, often homeless youth that are less likely to be tech-savvy and self-managed because of more immediate concerns which leaves less time and resources to buy tech devices to use in advertising on the Internet. It seems certain that there is no argument, with the information available, for Internet platforms *causing* juveniles to be more likely to be involved with prostitution, and therefore little hope that banning the platforms from operating will save minors.

VIII. Discussion

Since the world's oldest profession isn't going anywhere, what policy might best prevent child sex trafficking? Is income inequality actually playing a role? This may not appear obvious at first; however, there are only three simple links connecting the two.

By making the assumption that income inequality leads to a growing epidemic of poverty within a society, and then exploring the societal effects of poverty, evidence of rising rates of child maltreatment (Eckenrode et al 2014) quickly surfaces. Increasing rates of child maltreatment lead to more homeless runaways (Gilbert et al 2009). Finally, the unsurprising third link is that homeless youth are particularly vulnerable to becoming involved with prostitution (again, *any* incidence of underage commercial sex is classified as sex trafficking, because the minor is under the age of consent).

How, exactly, is this happening? First, we have an increase of poverty, and it is fairly uncontroversial to assume that this poverty plagues both households with and without children. Poverty increases stress; “suboptimal decisions are often the result of a specific mindset created by the demands and circumstances of poverty.” (Gennetian & Shafir 2015) Stress leads to less thoughtful decision making capabilities, has a negative impact on mental well-being, and causes interpersonal relationships to suffer. When you combine the burden and responsibilities of child-rearing the stress of poverty, it's certain that raising a family in poverty increases the likelihood of domestic turmoil.

Children in such households are the most vulnerable to these detrimental effects of poverty, which include (but are not limited to): divorce, domestic strife, and child maltreatment (this includes all types of neglect and abuse). This maltreatment, the first of the three causal links mentioned before, certainly plays a major role in children deciding to run away from the adult caretakers in their home, and believing they will fare better caring for themselves on the streets. Thus, we arrive at the second causal link. These trickle-down effects might seem rather removed

from income inequality. However, studies demonstrate that even after controlling for “child poverty, demographic and economic control variables, and state-level variation in maltreatment rates... Higher income inequality across US counties was significantly associated with higher county-level rates of child maltreatment” (Eckenrode 2013).

For homeless runaway youth in the US, there is a dearth of available space in youth shelters, and less than ideal available social services that could place them in quality foster care and see to it that they complete their secondary education. Once they turn 18, they age out of child protective services altogether. If their academic track has derailed badly at that point, their chances of ever breaking free of the poverty cycle diminishes. As minimum wage and unskilled labor employment opportunities shrink, and as the cost of living a dignified life in the United States rises, more and more vulnerable youth, particularly those on the streets, may feel they have few options to sustain themselves (especially if they are under the age of legal employability in their state). ‘Survival sex’ is the act of performing sexual services in exchange for food, shelter, or any sort of in-kind benefit for which there is an acute basic need. For homeless teens, selling sex for cash payment is likewise stemming from acute need (Gibbs 2015). Thus, we have traversed the final link and arrived at underage prostitution as a symptom of income inequality in society. Homeless minors may be emotionally vulnerable and prone to easy manipulation and may not understand if they are being pimped and exploited.

Even a single incident of a child being exploited is tragic. However, of the estimated thousands of underage prostitutes in the US, the vast majority are not being coerced or forced. (Swaner et al 2016) The average age that juvenile prostitutes (of 949 interviewed) entered into “the life” was 15.8 (Swaner et al 2016), which is markedly older than is being purported as being commonplace. The vast majority are not primary school-aged children being physically held in custody by child sex trafficking rings, as the popular narrative has been described in the media and in Congress during the hearings leading to the passage of FOSTA-SESTA.

There's an estimated population of hundreds of minors (recruited, on average, a couple of years before their 18th birthdays) being exploited by sex traffickers in the United States, and of these, a small fraction, perhaps dozens, being forced by their traffickers. This is terrible, of course, but in terms of deciding how many limited resources to combat the problem, it's useful to remember that there are far more children under the age of 3 dying at the hands of a parent each year in the US (based on estimates from childhelp.org and other national figures). In other words, there are more widespread (and perhaps more tragic) issues facing American children that deserve even more urgent response and resources.

The magnitude just mentioned does not equate to a child sex trafficking "epidemic" by any standard. There is a child poverty, hunger and abuse epidemic that drives some hundreds (or even as many as a few thousand) of underage Americans to engage in prostitution to survive. These teens are typically willing participants because their choice equates to the "least-bad solution to meeting fundamental needs for shelter, safety, social connection, and love" (Gibbs 2015). Within these scenarios, "Sex trafficking was never the only problem, and often not the most critical problem, in young people's lives. Meeting fundamental needs frequently took precedence over addressing trafficking" (Gibbs 2015). Trafficked or not, this is a question of poverty and survival, and these young people need other options to survive, which involves addressing poverty. Programs which offer these very desperate youth alternatives to sex work would do more to decrease the incidence of underage prostitution. Alleviating child poverty would reduce the population of vulnerable youth who are most likely to runaway and end up homeless, who are at the highest risk of being trafficked. It simply isn't clear that criminalizing online advertisement will have any real impact on decreasing the population of minors involved with commercial sex.

Legalization and regulation would, ostensibly, generate enough income tax revenue to offset costs of increased police surveillance efforts to enforce the regulation, as well as provide welfare services designed to prevent the number of youth who feel they have few choices for survival.

Reductions in police funding since the mid-2000s has resulted in cutback or elimination of vice crime units (e.g., San Francisco, CA; Tucson, AZ; Vallejo, CA), fewer reverse stings, and fewer arrests of johns. This has resulted in fewer participants in john schools and other post-arrest programs. (Shively et al 2012)

If the status quo results in few resources to pursue efforts aligned with a Prohibition standpoint, there would be at least an obvious alternative that self-funds efforts to see through the pursuit of societal welfare goals.

“Law enforcement also reported that the escort services may be connected through a transnational organized crime network. The highly organized criminal networks and limited law enforcement resources (even of the task force), presented a challenge to dismantling these networks, as described by a law enforcement official below:

We only just started scratching the surface. Quite honestly, I don't know if we have the resources to take it so far and then everybody's going to be scrambling ... Because you are going into a different, an organized crime portion ... doing more than what we do, basically surveillance, doing undercover operations. Now you're doing more wiretaps, following the money, doing a money laundering case to try to tie into an organized crime. So these cases last a lot longer in these economic times. I know our department couldn't do it alone. And even as a task force, it's going to be hard for us to come up with the resources to do something like that.
-(Miami Law Enforcement Official) (Dank et al 2014)

If the resources are not present under the status quo to adequately combat the worst criminals involved in the industry, perhaps there could be another approach to drive them out of business as well as fund increased monitoring.

(A) A Pareto Optimal ‘Regulated Safe Harbor’ ~ i.e. Consenting Adults Only

Let the Dutch-Swedish hybrid policy described by Lee & Persson (2015) be called a “Regulated Safe Harbor” approach, or RSH. This approach combines the Dutch approach of a legalized, licensed prostitution industry and the Swedish model of criminalizing the purchase of (unlicensed) commercial sex. For American political palatability, it's probably wise to focus on the Swedish model side, as the “tough on crime” components are always popular with legislators and their constituents, and which is already heralded by police departments on the west coast of the US, and informally adopted in some cities as the appropriate response to the industry. Based on Lee and Persson's work, in addition to having a highly regulated, legalized industry with licensing, the

demand side is criminalized with very high penalties for purchasing— and even higher if the prostitute is under 18.

The likely intended consequences of the proposed policy, if we compare to other OECD countries with legalized prostitution such as Australia, the UK, the Netherlands, Germany, and (in practice) Belgium, then we will see a reduction in sex trafficking but an increase in the commercial sex market. This is very likely due to a legal market satisfying the demand for commercial sex. Indeed, the primary benefit of RSH would be to minimize the most troublesome social harms that surround the sex trade; that is, sex trafficking and underage prostitution. According to their publication, RSH even likely eradicates sex trafficking. It also would follow, using their logic, that if exploitative commercial sex were eradicated, then underage involuntary prostitution would be eliminated, as they would be ineligible for participation in the legalized industry. Therefore, the only underage prostitutes left would be voluntary, unlicensed sex workers.

Since RSH combines a regulated market with high penalties for purchasing unlicensed sex, this reduces the incentive to do so, if a legal industry is designed to satisfy demand at the equilibrium price. Even a reduced price would be insufficient to compensate a client for the risk he faces if caught with an unlicensed sex worker. The punishment for underage unlicensed sex would be raised especially high, which would divert virtually all clients to opt for an 18-year-old licensed sex worker rather than potentially face exorbitant fines and high mandatory minimum prison sentences. In addition, if licensed sex workers had regular health screenings to reduce spread of disease, and the marketplace was designed to be as convenient and provide as predictable an experience as possible, there would be even less incentive to seek out an unlicensed sex worker. Why take a chance with an unknown entity (customers risk disease, being robbed, etc) when consuming a predictable, safe, and legal product is readily available and satisfies the same need.

Those remaining, undeterred by the legal option, are more likely to have desires outside of the realm of what constitutes legal, non-violent, consensual sex work and are likely high-risk clients

that sex workers would wish to avoid at all costs. Thus, both sides of the market are driven away from the black market and towards a functioning, legal industry that satisfies demand at the equilibrium price. Just as legally available alcohol eliminated virtually all bootleg moonshine operations in the US, a legal market in commercial sex could drive virtually all independent unlicensed operators out of business.

The chance of getting caught needs to be incredibly high for this policy to work. The amount of manpower and resources from law enforcement would need to be immense to monitor for illegal activity, and this would be very expensive. However, RSH has the potential to pay for itself. Even the initial sex workers who sign up for licenses and begin paying taxes in the legal industry will turn on an instant stream of revenues which can be used to begin covering the law enforcement costs almost immediately. There are no drawbacks in allowing legal sex work to begin first, and once the tax revenues arrive, begin to invest in the law enforcement infrastructure necessary to ensure it succeeds, long term. In addition, communities with thin police presence due to budget restrictions will benefit from the spillover effects of additional manpower in their neighborhoods who provide deterrent for crime in general.

A legalized and taxed marketplace for licensed workers and their clients creates a huge revenue stream of tax from this industry. The demand for sex is not a negligible one in society, even a modest income tax on the revenues of sex workers would provide enough funding for the law enforcement necessary to ensure that the industry functions well. Eventually policing would not need to be as resource intensive, as the mindset around sex work being a licensed legal profession would lead to the demand for unlicensed sex work to dwindle to negligible effects, assuming that the licensing process was made easy enough so that all disease-free adult sex workers feel unrestricted from entering the legal sector. The benefits on the consumer side, of safety, health, and transparent referral/ratings system allows for a preferable consumer experience —similar to

choosing a massage therapist or a housekeeper or any other laborer in a legal profession who uses their body to earn a living.

Especially once the legal market becomes the norm and less labor intensive to monitor for illegal activity, some of the revenues can be earmarked for more comprehensive child and family welfare services that perhaps provides a basic income for households in the lowest socioeconomic echelons, as well as to provide education and training programs for sex workers who would like to change careers. In this way, the policy can shrink the overall marketplace by helping to prevent youth from ending up desperate on the streets in the first place and help those who wish to leave sex work do so. Thus, we come full circle to at least some redistributive measure to help improve an issue which is at its core a poverty issue, stemming from escalating inequality in the world's richest country.

Unintended consequences would likely be that we will see a reduction in sex trafficking, but an increase in the commercial sex market. This is likely to be due to many on the margin of considering sex work deciding to participate, sex workers from other countries moving to the country to avoid criminal prosecution, and to a smaller and unknown extent, normalization and greater societal acceptance and lesser stigma of the practice of purchasing sex. Also, even if sex trafficking is eradicated and underage participation is driven to virtually zero, there will still be the unintended consequence of the creation of an illegal black market that exists alongside the legal one. There will remain, in this RSH policy scenario, an illegal willing supply for those who aren't eligible for licensing, whether underage, STD infected, drug addicted, or with a violent criminal past who don't pass a background check. However, the demand side will quickly come to understand that there are major drawbacks in purchasing from this demand pool, in addition to the penalties he would face if caught, and this provides even more incentive to purchase legal commercial sex. The remaining clients (those who truly want a child, or to be violent towards a woman, or to engage in a fetish so fringe/dangerous that it would not be available in the legal

market) would be likely so undesirable from the point of view of the supply side, that this would likely discourage all but the most acutely desperate suppliers out of the market altogether, looking for another way to earn a survival. The incentives on both sides will be aligned to all but quickly extinguish the illegal marketplace.

As for possible solutions to negative unintended consequences, the best way to deter those on the margin from deciding to enter sex work is to strengthen the availability of other options for those people. Using part of the tax revenue stream to raise the minimum wage would be an obvious choice so that service sector and manual labor work can actually provide a decent living. Offering educational and vocational scholarships for young people who wish to increase their employability outside of sex work would be another option and could be part of the overall poverty reduction scheme funded by the tax revenues collected from commercial sex.

Because of the difficulties involved of unilateral legalization, cross border effects are an issue. Deterring migrants from other countries from flocking to the US is not currently a large problem in the Trump era. However, in the future there could be an influx of sex workers from other countries. However, it isn't obvious that this would be an issue, especially if programs available to help those who wish to change careers are in place, as migrants would also likely do so if there were better alternatives for a long-term career.

VIII. Conclusion

Philosophical arguments aside, understanding legislation begins with identifying the political motives legislators face when they are crafting and voting on policy measures. This is key in understanding the support for sex work prohibition in the United States amongst legislators, as well as understanding redistribution policies as they are relevant towards the prevention of youth entering prostitution in the first place. The activism for the criminalization and abolishment of anything connected with sex work in America can be readily compared with America's brief Prohibition of alcohol. The overturn of Prohibition could lead to ideas for how we could possibly similarly overturn prohibition for sex work. This begins with analyzing political motivations of those in power, in regard to poverty, inequality, and minimizing child prostitution.

Considering the motivations facing legislators regarding prostitution legislation, neither Democrats nor Republicans have a "pro-sex work" lobby to consider. Democrats have one vocal, left leaning group of radical feminists who believe that all sex work should be prohibited and criminalized. Republicans have virtually all of their conservative constituents opposing prostitution on moral grounds. There is no political incentive on either side, therefore, to consider any other policy than prohibition (which translates to any tough-on-prostitution expansive criminalization policy). A positive economic decision-making process would involve weighing the societal good that could be done with tax revenues from regulating and legalizing prostitution with any drawbacks. However, since the costs are potentially high, politically, it's more rational to consider other sources of revenue and remain on the side of prohibition. Sex workers themselves do not have a powerful lobby power or any legislators in their pockets via generous campaign contributions, so the status quo thinking continues unchallenged. There simply is no political incentive to consider a major reform, until the attitude and popular opinion amongst constituents changes.

Prostitution in the United States is incredibly dangerous and has been illegal for a century. Historic puritan-based morality has played a role in the development of the criminalization of commercial sex in America. However, it has also been supported due to the negative externalities prostitution imposes on society. Most of these negative externalities have been due to the public visibility of street work and public nuisance issues that accompanied the industry. Perhaps even more compelling, valid concerns over the exploitation of children, and sex trafficking more generally. Even those who do not morally oppose the existence of prostitution in society may back prohibition of all sex work solely because it is so incredibly dangerous and violence ridden for the participants, and the thought of children involved evokes a strong “tough on crime” emotional state for many. Pursuing any policy seeking to discourage, shrink, or combat the industry as a whole can be thought of as trying to minimize violence against vulnerable people, which is a noble objective.

However, there are also incredibly high societal costs, or “unintended effects”, of prohibition of sex work—namely minors being trafficked for sex on the created “black market”. The situation is not unlike the disastrous prohibition of alcohol which resulted in an extraordinary rise in violent crime, as well as enriched criminal organizations beyond measure. Eventually, 85 years ago, society saw that the experiment with Prohibition was a failed one and chose instead to legalize and regulate the alcohol industry, using tax revenues to help lift the country from the Depression era. Likewise, legalization and regulation of sex work could be thought of as a way to minimize (to the point of elimination, if we can hope to follow the footsteps of other countries with similar policies) the existence of sex trafficking and child prostitution.

If this point of view could become palatable to society, as legalizing alcohol eventually gained widespread support in the Depression era, and legislators wouldn’t face punishment at the ballot box, it could become a viable policy alternative. An ‘anti sex-trafficker’ and ‘anti-child prostitution’ stance could be bundled in the popular consciousness with the thought of regulating and taxing the commercial sex industry amongst consenting adults. We could thus put sex

traffickers out of business as well as remove minors from the industry via state regulation and law enforcement.

It is a mistake to think of sex work as inherently violence ridden. The argument that sex work is inherently rife with violence, and therefore should be criminalized, is false. Sex work is incredibly dangerous because it is criminalized. For some, there is no moral difference between using your body to earn a living as a sex worker as it is to use it in other physically demanding industries, such as being a coal miner, housekeeper, construction worker, massage therapist, underwater welder, or warehouse worker without long enough breaks to get to the bathroom (Kantor & Streitfeld 2015). For those people for whom their personal morality has no qualms about using their bodies in this way, on what basis should the state decide for them what is the best way to think about the issue?

As a society, we should be concerned with minimizing any occurrence of undue workplace hazard (or incidence of human trafficking) by having minimum standards and age for the workplace via thorough labor laws that prevent the exploitation of workers in all industries. Sex work really can't be distinguished from any other physically demanding job if morality is removed from the equation. Sex between consenting adults is legal, and accepted by society as non-harmful, when money is not exchanged; therefore, there is no basis to argue that precisely the same behavior is problematic simply because money enters the equation. If that point can be accepted, then sex workers' workplace wellbeing must be defended—in the same way as we think of the risks facing coal miners or construction worker, or any other industries involving physical and demanding labor. In addition—and perhaps most importantly—there is no other way (that we have yet found) to ensure the exclusion of children than to make the industry legal, regulated, and transparent—and thankfully free from sex trafficking criminals (who would exploit people, including children).

We can regulate industries to eliminate minors and demand minimum safe working conditions, and the market price will often reflect the demands and risk of these roles (i.e. high

salary for an underwater welder because of the high risk of death). Sex work is physical (and emotional, such as waitresses' and flight attendants' jobs are also emotionally demanding) labor in similar ways to many other legal occupations (Satz 1995). Having unfortunate life circumstances and feeling coerced into the situation of selling sex is not really any different than being desperate and taking any other grueling job to make a living (warehouse workers without bathroom breaks come to mind), if there aren't many other options available.(Satz 1995) Difficult life circumstances can lead a person to being more or less coerced into doing unpleasant work, but that is the nature of a capitalist society. Capitalism is inherently coercive, in that without inherited wealth, everyone must work for a living in order to sustain themselves.

If society has a goal to alleviate the strained and coercive situation for segments of society who are struggling with the options available in the free market, then we need solutions outside of the market —such as: government regulations on working conditions, minimum wage, and welfare benefits to those who remain in poverty. There are many unpleasant and even exploitative jobs that we wish people didn't need to do in order to feed their families, some of them involving health risks and physical risks, and those that are grueling and damaging to their bodies. We can combat exploitation and trafficking without making an entire industry illegal, however, similar to other industries (i.e. the industry of housekeeping/cleaning). The priority to remove minors and push traffickers out of the market could be a chosen paramount goal of our legislators. Legalization and minimum age requirements in the industry are the way to do so.

For those who do not enjoy the profession, sex work is in that category of grueling and unpleasant labor. However, the demand is inelastic, and the oldest profession will never “go away”; there will always be those who do not perceive a better option, at least during some period of their life. By criminalizing prostitution, you only push it into the shadows and make it incredibly dangerous. There is no solid basis for believing that homicide rates would continue to be as high amongst sex workers (nor the incidence of underage prostitution) if the industry was legal, licensed,

and operated out of the shadows of society. If clients know that there are records kept for each transaction, they will be deterred to commit violence by the fact that they will likely be prosecuted for any crime committed.

What is understood about the effectiveness of prohibition legislation, whether it be for alcohol or prostitution, is that it does not work —and often creates worse problems than the activity in society it was created to eliminate. The up-side is that there are ways of creating better options (in order to reduce the prevalence of aforementioned activities) without restricting anyone's rights over their own body. The availability of other employment for vulnerable people in society is the way that government can legislate to minimize the existence of sex work —if that indeed is an important goal. The state simply should not criminalize a victimless activity based only on subjective morals, and not on behavioral science.

“Not only is SESTA/FOSTA making sex work more dangerous and empowering pimps, it's preventing advocates from finding the real trafficking victims ... Passing anti-sex trafficking legislation is usually not a controversial issue on both sides of the political aisle, but politicians are less willing to get behind legislation that addresses trafficking effectively, as that requires a long, uncomfortable look at systemic poverty, immigration, racism and LGBT discrimination.” (Siouxsie 2018)

Overall, obtaining high-quality data to rigorously test the predictions from the theoretical models that we have should have high priority on the research agenda. (Shah & Cunningham 2016)

Figure 2 Tweet from Jessica Raven, the now Executive Director of Safe Spaces D.C.



Jessica Raven
@thejessicaraven

Survival sex was my alternative to sexual assault on the street & in foster care. If you're concerned about ending sexual violence against youth, work to solve the problem; don't criminalize the solution.

Note. Tweet from Raven, J. [@thejessicaraven]. (2018, May 15 8:30pm).

Recall that online prostitution is associated with a drop in the overall level of rape, female gonorrhea and female homicide. If there is a causal connection between online prostitution and violence, FOSTA-SESTA legislation comes at the cost of hundreds of lives each year, and tens of thousands of additional rapes, going forward. For example, there were 3,292 female victims of homicide in 2010 in the US; therefore, a 17.4 percent decline of this scale would mean around 600

saved lives. There were 84,767 reported rapes in 2010; thus, a 31% decrease means 25,500 fewer reported rapes in the country. (Cunningham & Shah 2016, Cunningham et al 2017)

Although it's too early to draw any conclusions about the effects of FOSTA-SESTA, according to KPIX 5, although all other types of violent crime fell in San Francisco during 2018, sex trafficking shot up 170 percent. (Steimle 2019)

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